



WORLD BRIEFS

II Annapolis '50 Class Ring Ends Mystery of Missing American

By Fred Hiatt

MOSCOW — Forty-one years ago, as a young sergeant in the Soviet Maritime Border Guards, Vassili Saiko, pulled from the cold northern sea the remains of a U.S. officer whose reconnaissance plane had been shot down.

Americans, the former sailor, now 64 and a resident of Rostov-on-Don, turned the ring over to American officials. A U.S. official in turn placed a call to Maryland, where Captain Dunham's widow still lives.

The American was buried on the tiny island of Yuri, in territory occupied by Russia but claimed by Japan, according to Mr. Saiko. The task force now hopes to obtain his remains.

Captain Dunham attended Johns Hopkins University for one year just after World War II, meeting his future wife at a fraternity party. He joined the navy and was selected for the Naval Academy, graduating in 1950 and then choosing air force service, a common practice before the Air Force Academy was established in Colorado Springs.

Three years after his disappearance he was declared dead for the Pentagon's pay records. She remarried in 1963.

U.S. Envoy Will Try To Settle MIA Issue

By Daniel Williams

WASHINGTON — The State Department's top Asia hand will travel to Vietnam next week to press for more information on missing American servicemen with an eye toward laying the emotional issue to rest and opening Vietnam to U.S. business.

The Vietnamese, he said, have been cooperative on the MIA issue. "They have been going all-out," Mr. Lord said, calling 1993 "the single best year" in terms of cooperation by Hanoi since the war.

Hints during the past year that the U.S. trade embargo against Vietnam might be lifted have brought complaints of a sellout from veterans and family groups that hope for definitive word on the fate of 2,300 Americans still listed as missing in Southeast Asia, about three-quarters of them in Vietnam.

President Bill Clinton has made a full account of the missing a condition for lifting the embargo, but in goodwill gestures, he went along with a granting of international loans to Vietnam and authorized delivery of humanitarian aid.



A family in East Sussex escaped after the storm blew a tree into their house. Most of the storm's victims were in Britain.

Gales Lash Across Northern Europe, Killing 14

LONDON — Fourteen people have been killed in storm-related accidents as winds reaching hurricane force left a trail of destruction throughout northern Europe.

In France, the police in Metz said a husband and wife were killed on the highway at the Luxembourg border when strong gales blew their car out of control.

December, also uprooted power lines, plunging thousands of homes into darkness. Trains deprived of power were left stranded, notably between London and Manchester.

With Cold, French Social Conscience Focuses on Homeless

By Marliese Simons

PARIS — On these wintry nights, when café lights switch off and the city turns inward, Pierre Jeannot can be found at Anserletz station, waiting for the last train leaving Paris.

On a recent Saturday night, as the air stung with frost, more than 60 homeless passengers boarded the 12:58. With gales open at this hour, they could pass without a ticket.

likely to appear in statistics, even in this well documented nation. France was abruptly reminded of its many homeless, its citizens sleeping in doorways, subways, garages and shelters, in recent weeks when at least 10 people were found dead of exposure.

The police say this city of 2.2 million people has 9,000 homeless and 15,000 residents "in great difficulty." There is no certain gauge either for the number of homeless in all of France, although charity groups have estimated there may be as many as 400,000.

Abbé Pierre, the priest who has led crusades in support of the destitute since the 1950s and who is the nationally accepted spokesman for the poor, again vented his anger at the government last week.

So he was trapped in a vicious circle requiring money, papers, an address. "No money, no license, no money," he said.

Advertisement for Patricia Wells' restaurant guide. Title: Rate the world's best restaurants with Patricia Wells. Text: The IHT's restaurant critic has set out on a rare and ambitious gastronomic journey, a search for the 10 best restaurants in the world. Includes photo of Patricia Wells.

Advertisement for Harry's New York Bar. Text: THE OLDEST COCKTAIL BAR IN EUROPE. Includes address in Paris and Berlin. Includes a photo of the bar interior.

Clinton Appeals for Anti-Crime Bill Following the N.Y. Train Shooting

WASHINGTON (AP) — President Bill Clinton told American mayors and police chiefs Thursday that violent crime was "changing everyone's lives in ways that are quite destructive" and that the nation must consider new means to combat it.

The pistol used in the New York shooting was bought in California where the purchaser, under state law, had to wait 15 days for a background check to determine that he had no prior criminal record.

Italian Party Official Took Bribes

MILAN (Reuters) — Italy's Northern League, a potent political force in the country's rich north, fell deeper into trouble Thursday after a senior official admitted taking bribes.

Saddam Frees 3 Britons as a Gesture

BAGHDAD (Reuters) — President Saddam Hussein ordered the release of three Britons on Thursday in a new gesture of clemency against foreigners imprisoned on charges of entering Iraq illegally.

Singapore Won't Drop Press Trial

SINGAPORE (AP) — A Singapore court refused Thursday to dismiss charges against five people accused of violating the Official Secrets Act by publishing economic data before the government released it.

Banker Sentenced in Iraq-Loan Case

ATLANTA (AP) — Christopher Drogoul, the former Atlanta branch manager of the Banca Nazionale del Lavoro of Italy, was sentenced Thursday to 37 months in prison for helping to arrange \$5.5 billion in illegal loans to Iraq before the Gulf War.

Correction

An article in the Dec. 2 issue incorrectly described an asset sale by American Telephone & Telegraph Co. to Berg Electronics. Only the connector business of AT&T Microelectronics was sold.

Bonn Plans a Magnetic Train Link

BONN (AP) — The German government has given approval in principle to a super high-speed magnetic train link between Berlin and Hamburg, but has put off a final decision until next year.

Correction

A strike by French railroad workers severely disrupted train services throughout the country Thursday, with strikers blocking train tracks and protesters demonstrating in front of the state railroad company's headquarters in central Paris.

Two airlines gave travelers an extra five days to buy tickets in a holiday sale that offers discounts of up to 30 percent. The deadline had been Friday, but Trans World and American extended the date to Wednesday.

Large advertisement titled 'SECRET CODES' for Sprint's international calling service. It lists various countries and their corresponding access codes.

Table of international calling codes and Sprint Express numbers for various countries including Argentina, Australia, Brazil, Canada, Chile, etc.

# STATESIDE / COUNTING THE COSTS

## ★ POLITICAL NOTES ★

### In This Revolving Door, There's a Way Back In

**WASHINGTON** — The former acting army secretary, John W. Shannon, was hired as a high-paid Pentagon consultant by a friend within weeks after he was put on administrative leave because of a shoplifting arrest, according to the Defense Department.

The Pentagon gave Mr. Shannon a month-to-month contract on Nov. 17 to study Defense Department stock inventories and advise civilian supply officials on what parts and supplies to keep and what to get rid of, said Lieutenant Colonel Stephanie Hoehne, a Pentagon spokeswoman.

Mr. Shannon was hired by James Klugh, a retired army two-star general who is a friend of Mr. Shannon's, and who is now the deputy undersecretary of defense for logistics.

Mr. Shannon will receive about \$7,100 a month, or about \$85,000 if he stays with the project for a year, Colonel Hoehne said. Mr. Shannon had been paid \$125,000 a year as the acting army secretary.

Officially, the Pentagon defended Mr. Shannon's hiring as a smart move to tap the talents of a veteran official experienced in logistics. Privately, though, many Defense Department officials said the hiring appeared to be a case of blatant favoritism and poor judgment.

Mr. Shannon, 59, was appointed acting army secretary, the highest civilian job in the military service, on Jan. 20 and had been serving pending the nomination and confirmation of a new secretary by the Clinton administration.

Mr. Shannon was arrested on Aug. 26 outside the post exchange at Fort Myer, Virginia, after store detectives saw him put a woman's store worth about \$30 into a shopping bag and leave the store without paying. The Pentagon put him on administrative leave the next day.

The authorities dropped misdemeanor charges against Mr. Shannon after he agreed to attend a nine-month shoplifting prevention program and perform 50 hours of community service. (NYT)

### Clinton Defends Aide in Rich New Pastures

**WASHINGTON** — President Bill Clinton defended two top aides who are resigning to take high-paying lobbying and public-relations posts, saying they were not violating his ban on "revolving door" profiteering from government service.

In a wide-ranging Blair House luncheon interview with reporters, Mr. Clinton was asked the "revolving door" question because Roy Neel, his deputy chief of staff, and Howard Paster, head of the White House congressional liaison office, are leaving their posts. Mr. Neel is to become president of the United States Telephone Association, the Washington lobbying office for regional and local phone companies. Mr. Paster is to become president and chief executive of Hill and Knowlton Worldwide, a major public-relations and lobbying firm.

During the 1992 campaign, Mr. Clinton frequently called for restrictions that would end the "revolving door" between government and the influence firms. He said he had taken such steps by extending the length of the ban on former employees lobbying former colleagues and said those restraints would apply to Mr. Neel and Mr. Paster in their new jobs.

But, he said, "I don't think we should discourage people from moving in and out of government. I don't think we should have a permanent government class and a permanent private sector across the divide from each other." (WFP)

### Packwood Takes the Fifth Over His Diaries

**WASHINGTON** — Senator Bob Packwood, Republican of Oregon, cited a Fifth Amendment protection against self-incrimination in responding to the Senate Ethics Committee's lawsuit to compel him to release his personal diaries.

It was the first time that Mr. Packwood, who has previously relied on Fourth Amendment privacy protections, has argued that he should not be compelled to produce the diaries because they could be used against him in a criminal prosecution.

"The constitutional privilege against self-incrimination applies to the involuntary production of private books and papers, and precludes the committee from compelling Senator Packwood to produce his private personal diaries," said Jacob A. Stein, a criminal attorney retained by Mr. Packwood after the Justice Department joined the Ethics Committee in subpoenaing the diaries.

Mr. Packwood's arguments were filed in U.S. District Court, where Judge Thomas F. Jackson was scheduled to hear arguments. The Ethics Committee is investigating allegations that Mr. Packwood made unwarranted sexist advances to more than two dozen women and then tried to intimidate them from telling their stories. The panel contends that it needs the diaries to investigate these and other areas, including a possible violation of criminal law. (WFP)

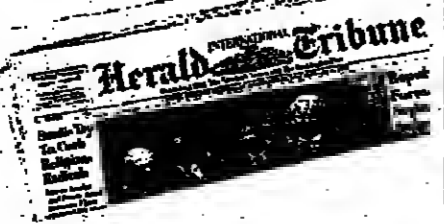
### Quote/Unquote

Fay Clayton, lawyer for the National Organization of Women, asking the Supreme Court to apply the anti-racketeering law to violent opponents of abortion: "We are asking this court to apply the statute as Congress wrote it." (LAT)

### Away From Politics

- Dr. Jack Kevorkian has agreed to let doctors examine him in jail because his hunger strike has left him near death, his lawyer said in Pontiac, Michigan. Dr. Kevorkian, 65, has refused to eat since he was jailed Nov. 30 on charges of assisting in a suicide. He is taking only water and vitamins.
- A proposed coal contract would assure United Mine Workers jobs even at nonunion mines, and could bring more cooperation to a historically contentious industry. An estimated 60,000 UMW members who would be covered by the agreement will vote on it next week. Approval would end a strike by 17,500 miners in seven states.
- A witness at the World Trade Center trial who had failed to recognize two defendants in court while testifying for the prosecution in the bombing-conspiracy case changed his mind the next day and pointed out one of them while under cross-examination in New York. Asked later by a prosecutor if he had had a better chance to look around the courtroom after his identification, the witness, Willie Hernandez Mosca, picked out the other defendant.
- Seriously ill patients now have the right to instruct paramedics in San Francisco not to resuscitate them if they collapse and stop breathing, under a policy approved unanimously by the city's health commissioners. Patients can leave a do-not-resuscitate form with family members or a doctor and wear a medical bracelet instructing paramedics not to resuscitate them.
- Under economic and political pressures to overhaul health care, two prestigious teaching hospitals in Boston, the Brigham and Women's Hospital and the Massachusetts General Hospital, said that they had agreed to merge. AP, NYT, Reuters.

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**FIREMAN BILL** — Mr. Clinton checking Diana Kattan, 6, to make sure she was all right after her hair was singed by a candle during a White House ceremony marking the Jewish festival Hanukkah.

## President's Rising Fortunes

**Los Angeles Times Service**

**WASHINGTON** — With a pair of legislative successes, President Bill Clinton's standing with the American public is moving sharply upward, according to a poll released Thursday.

Following the administration's victories on the North American Free Trade Agreement and the passage of the Brady gun control bill, as well as some public acknowledgment of an improving economy, 63 percent of Americans now view Mr. Clinton as a president who can get things done, while only 27 percent do not, according to the survey by the Times Mirror Center for People and the Press.

In August, by comparison, only 36 percent of Americans considered Mr. Clinton effective, compared with 54 percent who did not.

The survey, based on interviews with 1,479 adults from Dec. 2-5, has a margin of error of plus or minus 3 percentage points.

Mr. Clinton's improved standing seems tied directly to his recent legislative victories, more than to any improvements in the economy, the poll found.

A growing 39 percent of Americans, for instance, said they had paid very close attention to the coverage of NAFTA, which will end most trade barriers among Canada, Mexico and the United States, up from 21 percent in October. And 37 percent said they paid close attention to passage of the gun control legisla-

tion, which would mandate a five-day waiting period for handgun purchases.

Similarly, a majority of Americans now can attribute a specific achievement to Mr. Clinton. Twenty-one percent mentioned health care; 19 percent, the trade agreement; 8 percent, the Brady bill.

The health care issue continues to help the president significantly.

Forty-five percent of respondents said they were paying close attention to the debate over the Clinton health care plan. Support for the plan itself is also rising. The survey found an approval rate of 49 percent, up from 41 percent in October, and just slightly less than the 53 percent after Mr. Clinton's September speech to a joint session of Congress.

The key factors cited by those who support the plan are that it would ensure health security and universal access (42 percent now, 43 percent in September) and that it would change a health care system that does not work (20 percent now, 21 percent in September).

Opponents, who primarily based their objections on their belief that the plan will not save money, also are more worried now about government involvement (18 percent, up from 8 percent in September).

Overall, according to the poll, 48 percent of Americans approve of Clinton's handling of his job — up from 44 percent in October — while 36 percent do not. Sixteen percent were undecided.

## Clinton Health Plan Adds Up Independent Analysis Delights White House

**By Spencer Rich**  
*Washington Post Service*

**WASHINGTON** — The proposed financing system for President Bill Clinton's national health plan is basically sound, according to an independent research group that included officials of the Reagan administration.

"If the question is whether they can finance this program with the revenues they will get under their plan, the answer is yes, and they will still end up with \$25 billion for budgetary deficit reduction," said Lawrence S. Lewin, chairman of Lewin-VHI, which conducted the study. "It meets the president's requirement of providing universal coverage, and it does so without relying on an increase in broad-based income taxes."

"Our funding estimates are in the same ballpark as theirs," said Robert J. Rubin, assistant secretary of the Department of Health and Human Services in the Reagan administration and now president of Lewin-VHI, which conducts studies to determine the costs of various health programs. Don Moran, a former top official of the Office of Management and Budget Director during the Reagan era, also worked on the report.

The Clinton administration greeted the study with delight. For months it has been battered by assertions from congressional Republicans and from groups representing businesses and providers of medical services that the financing mechanisms for the president's health plan could result in huge underfunding and perhaps a need for new taxes and premiums far beyond what the White House has estimated.

Even some Democrats who favor the plan have questioned some of the numbers.

Alice M. Rivlin, deputy director of the Office of Management and Budget, said that the study "essentially verifies our estimates and the soundness of the financing for our proposal." She said the report confirmed that the plan would reduce the deficit from 1995 to 2000.

In addition to its broad finding that the financing structure works, the study, released Wednesday, also found that:

- Health insurance premiums under the president's plan in 1998, used as an example year, would be about 17 percent higher than the administration estimated, requiring more federal premium subsidies for businesses and poor individuals. In 1998, employers (primarily small companies that do not now insure their workers) would pay a net of \$28.9 billion more for health care than under current law because of the requirement that they provide insurance to their workers, but households would pay a net of \$26.5 billion less because the government and employers would be picking up much more of their costs. The extra payments by employers would gradually drop as cost controls took effect.
- The plan's cost controls eventually would slow the growth of health spending. By 2000, it would account for 18 percent of gross domestic product instead of the 18.7 percent figure expected under current conditions, a savings of \$57 billion.

The study, conducted primarily by John Sheils, vice president of Lewin-VHI, was financed by the company itself, Mr. Lewin said.

Mr. Lewin, Mr. Rubin and Mr. Sheils all emphasized strongly that no study of an untested new system can be taken as an absolute prediction or guarantee that the plan will work as envisioned.

Mr. Lewin said the findings were based on their best estimates and on the assumption, which could be optimistic, that the states, Congress, the proposed national health board and all others would have "the political will" to adopt and enforce difficult aspects of the president's plan. That would include requiring all employers to insure their workers and limiting insurance-premium increases.

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Société d'Investissement à Capital Variable  
Kansallis House, Place de L'Etoile  
L-1021 Luxembourg

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of the Shareholders of FIDELITY FRONTIER FUND, a société d'investissement à capital variable organized under the laws of the Grand Duchy of Luxembourg (the "Fund"), will be held at the registered office of the Fund, Kansallis House, Place de L'Etoile, Luxembourg, at 11:00 a.m. on Thursday, December 30, 1993, specifically, but without limitation, for the following purposes:

1. Presentation of the Report of the Board of Directors.
2. Presentation of the Report of the Auditor.
3. Approval of the balance sheet and income statement for the fiscal year ended August 31, 1993.
4. Discharge of the Board of Directors and the Auditor.
5. Election of six (6) Directors, specifically the re-election of Messrs. Edward C. Johnson 3d, Barry R. J. Bateman, Charles T. M. Collis, Sir Charles A. Fraser, Jean Hamilius and H. F. van den Hoven, being all of the present Directors.
6. Election of the Auditor, specifically the election of Coopers & Lybrand, Luxembourg.
7. Declaration of a cash dividend in respect of the fiscal year ended August 31, 1993.
8. Proposal, recommended by the Board of Directors, to amend Article 16 of the Fund's Articles of Incorporation in its entirety, principally in order to delete the specific limitations in the nature of investment safeguards and to delete the description of certain of the powers of the Board of Directors set forth therein and to substitute more general language in order to provide greater discretion to the Board of Directors in determining the Fund's investment safeguards and permissible investments, and to describe more generally the Board's authority to manage the Fund's business, subject to the requirements of Luxembourg law and regulation. Copies of Article 16 as proposed to be amended may be obtained from the Fund at its registered office in Luxembourg and are being mailed to all registered shareholders with this Notice of Meeting.
9. Proposal, recommended by the Board of Directors, to amend the Fund's Investment Management Agreement with Fidelity International Limited ("FIL") by adding a new Section 16 to specify the basis on which FIL, as Investment Manager, may delegate, with the Board's consent, FIL's responsibilities in respect of portfolio management for the Fund, and to amend Section 10 of the Agreement to state the responsibility of FIL for such delegate's actions pursuant to such delegation. Copies of Sections 10 and 16 as proposed to be amended may be obtained from the Fund at its registered office in Luxembourg and are being mailed to all registered shareholders with this Notice of Meeting.
10. Consideration of such other business as may properly come before the meeting.

Approval of items 1 through 7 of the agenda will require the affirmative vote of a majority of the shares present or represented at the Meeting with no minimum number of shares present or represented in order for a quorum to be present.

Approval of item 8 of the agenda will require the affirmative vote of two-thirds (2/3) of the shares present or represented at the Meeting at which a majority of the outstanding shares must be present or represented; if a quorum is not present, then at an adjourned session of the Meeting, approval of item 8 shall require the affirmative vote of two-thirds (2/3) of the shares present or represented at the Meeting with no minimum number of shares present or represented in order for a quorum to be present. Approval of item 9 of the Agenda, including at any adjourned session of the Meeting, will require the affirmative vote of a majority of the shares present or represented at the Meeting at which a majority of the outstanding shares are present or represented.

Subject to the limitations imposed by the Articles of Incorporation of the Fund with regard to ownership of shares which constitute in the aggregate more than three percent (3%) of the outstanding shares, each share is entitled to one vote. A shareholder may act at any meeting by proxy.

Dated: November 29, 1993

BY ORDER OF THE BOARD OF DIRECTORS

**Fidelity Investments**

**FIDELITY ORIENT FUND**  
Société d'Investissement à Capital Variable  
Kansallis House, Place de L'Etoile  
L-1021 Luxembourg

**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE is hereby given that the Annual General Meeting of the Shareholders of FIDELITY ORIENT FUND, a société d'investissement à capital variable organized under the laws of the Grand Duchy of Luxembourg (the "Fund"), will be held at the registered office of the Fund, Kansallis House, Place de L'Etoile, Luxembourg, at 11:00 a.m. on Tuesday, December 28, 1993, specifically, but without limitation, for the following purposes:

1. Presentation of the Report of the Board of Directors.
2. Presentation of the Report of the Auditor.
3. Approval of the balance sheet and income statement for the fiscal year ended August 31, 1993.
4. Discharge of the Board of Directors and the Auditor.
5. Election of six (6) Directors, specifically the re-election of Messrs. Edward C. Johnson 3d, Barry R. J. Bateman, Charles T. M. Collis, Sir Charles A. Fraser, Jean Hamilius and H. F. van den Hoven, being all of the present Directors.
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8. Proposal, recommended by the Board of Directors, to amend the Fund's Investment Management Agreement with Fidelity International Limited ("FIL") by adding a new Section 16 to specify the basis on which FIL, as Investment Manager, may delegate, with the Board's consent, FIL's responsibilities in respect of portfolio management for the Fund, and to amend Section 10 of the Agreement to state the responsibility of FIL for such delegate's actions pursuant to such delegation. Copies of Sections 10 and 16 as proposed to be amended may be obtained from the Fund at its registered office in Luxembourg and are being mailed to all registered shareholders with this Notice of Meeting.
9. Consideration of such other business as may properly come before the meeting.

Approval of items 1 through 6 of the agenda will require the affirmative vote of a majority of the shares present or represented at the Meeting with no minimum number of shares present or represented in order for a quorum to be present.

Approval of item 7 of the agenda will require the affirmative vote of two-thirds (2/3) of the shares present or represented at the Meeting at which a majority of the outstanding shares must be present or represented; if a quorum is not present, then at an adjourned session of the Meeting, approval of item 7 shall require the affirmative vote of two-thirds (2/3) of the shares present or represented at the Meeting with no minimum number of shares present or represented in order for a quorum to be present. Approval of item 8 of the Agenda, including at any adjourned session of the Meeting, will require the affirmative vote of a majority of the shares present or represented at the Meeting at which a majority of the outstanding shares are present or represented.

Subject to the limitations imposed by the Articles of Incorporation of the Fund with regard to ownership of shares which constitute in the aggregate more than three percent (3%) of the outstanding shares, each share is entitled to one vote. A shareholder may act at any meeting by proxy.

Dated: November 29, 1993

BY ORDER OF THE BOARD OF DIRECTORS

**Fidelity Investments**



### Yeltsin's Cabinet Fragmenting Into Hostile Factions

By Margaret Shapiro

**MOSCOW** — When Russia's hard-line parliament disappeared into history last fall, so it turns out, did the glue that held together President Boris N. Yeltsin's reformist bloc.

With Russia's first multiparty elections just a few days away, Mr. Yeltsin's cabinet has broken into so many political blocs contending for power that Communists, ultranationalists and other opposition parties now are gleefully predicting they could wind up holding the balance of power in the new parliament thanks to the warfare within the Yeltsin camp.

Prime Minister Viktor S. Chernomyrdin felt compelled recently to assert that the government was able to function.

"It would be really hard to work if we all sang one tune," the prime minister said, putting the best face on what cabinet members have privately said are less-than-amicable government get-togethers.

"This is like a model for a coalition government."

But the reality is that more than a dozen cabinet members, including several deputy prime ministers, the foreign minister, the justice minister and Mr. Yeltsin's chief of staff, are running for seats in the new bicameral parliament that will be elected Dec. 12 — many of them against each other.

Televized coverage of cabinet meetings shows a host of polite smiles barely concealing what insiders say is growing animosity as election day approaches.

More important for Mr. Yeltsin and the movement for change, a combination of policy differences and political ambitions have foiled all attempts to create a unified slate or reduce the number of cases in which so many reformers are battling for a seat that the anti-Yeltsin candidate is likely to win.

"I'm not even convinced that the democrats altogether will get a majority, which would be extraordinarily said," said Mr. Yeltsin's military adviser, Dmitri Volkogonov, who is running as a candidate of the largest pro-change party, Russia's Choice. He blamed "personal ambition" of various political leaders for having prevented the formation of a broader reform coalition.

This is Russia's first truly democratic electoral contest and it is clear that no one expects it to be the last. Many of the reformers running for office are eyeing future races, including bids for the presidency, and therefore have little interest in merging their parties.

Some pro-Yeltsin politicians have argued that the splits in their ranks could have been avoided if Mr. Yeltsin had stepped into the campaign and picked one party as his own. But he has chosen to stay out so far, focusing instead on winning passage of a new constitution that would enshrine Western-style democracy and also greatly strengthen his powers. A presidential spokesman recently said Mr. Yeltsin was determined to be leader of all Russians and not just of one political party.

But the problem is not solely one of ambition. In just the few short weeks of the campaign, policy differences have emerged among the erstwhile reformist allies over the pace of economic change, the role of the state and relations with the West.

Most of the cabinet members running in Sunday's election have allied themselves with Russia's Choice. The party was founded by First Deputy Prime Minister Yegor G. Gaidar, 37, the radical economist who brought "shock therapy" to Russia two years ago. It includes in its ranks Foreign Minister Andrei V. Kozyrev, Finance Minister Boris G. Fyodorov, five other ministers and a host of top presidential advisers.

Not surprisingly, Russia's Choice is seen as a quasi-official ruling party, despite Mr. Yeltsin's aloofness. It has become the focal point for attacks on the other side by all other parties, hard-line and reformist. Still, most polls have shown Russia's Choice leading the pack, although with steadily declining strength since its glib opening convention nearly two months ago.

Several other ministers have allied themselves with the Party of Russian Unity and Accord created by Deputy Prime Minister Sergei M. Shakhrai, a key legal aide to Mr. Yeltsin who has already declared his intention of running for president when Mr. Yeltsin retires.

When the party organized two months ago, Mr. Chernomyrdin was said to be backing it and ready to run on its slate. Mr. Yeltsin apparently blocked that move when he told him that the prime minister's post was not compatible with participation in an electoral campaign.

While Mr. Shakhrai was once an ally of many of those now in Russia's Choice, his party now espouses a slower pursuit of free-market changes, with more state support for industry, and it champions the rights of regional authorities to have a greater say in governing Russia. Mr. Shakhrai has said his party will not go along with the "radicalism" of the past two years. Central parties opposing Mr. Yeltsin's changes hope to persuade Mr. Shakhrai to ally with them in the new parliament.

The pro-change party that polls have shown posing the main challenge to Russia's Choice is the bloc formed around the economist Grigori A. Yavlinsky, who made his name as a reformer in 1990 when he drafted an ambitious "500-day plan" for transforming the Soviet economy.



Mourners huddling next to a wall for protection from sniper fire at a Muslim funeral in a Sarajevo cemetery. The cemetery is in full view of nearby Serbian positions less than 1,000 meters distant.

### 8 Civilians Die in Sarajevo Fighting

**SARAJEVO, Bosnia-Herzegovina** — Shelling and sniper fire from besieging Bosnian Serbs killed eight civilians and wounded 16 in Sarajevo on Thursday, after heavy fighting overnight in and around the Bosnian capital, UN and hospital sources said.

Bill Aikman, spokesman for the United Nations Protection Force, said the situation had become unstable for the first time in several days.

Hospital sources said three mortar shells fell on a crowded market in the western district of Cengic Vila, killing four persons and wounding four.

The other casualties were from shelling or sniper fire in various parts of the capital.

The Bosnian Serbs bombarded the capital with about 270 shells overnight, most of which fell on front-line areas, while the mainly-Muslim Bosnian Army fired 46 shells, Mr. Aikman said.

In Belgrade, mediators scrapped tentative plans to reconvene a meeting of the three warring parties this weekend after talks with Serbian leaders, their spokesman said.

Lord Owen and Thorvald Stoltenberg, the European Community and United Nations peace envoys, decided instead to try for talks in the week beginning Dec. 20, a spokesman said.

### Bonn Links Pair To Neo-Nazi List Of Attack Targets

**BONN** — The federal prosecutor's office named on Thursday two men it believed were behind a neo-Nazi list of anti-racist activists targeted for attacks.

It said the two men in Mainz were suspects in its investigations into the list, which surfaced last week in an extreme-right magazine, Der Einblick.

One of those named, Sascha Chaves, 20, was already due to appear in court on Dec. 16 on charges of inciting racial hatred by running a neo-Nazi telephone information service. The prosecutor's statement named Michael Petri, 21, as the second suspect.

Police officers raided the two men's homes overnight and left open the possibility that others helped create the list, which contains about 250 names, addresses and even license plate numbers of anti-racism activists.

### A Political Prisoner in China Is Denied Visits for a Year

**BEIJING** — Chinese authorities have ordered a one-year suspension of visiting privileges for a well-known political prisoner, his family said Thursday in an appeal for officials to follow their own regulations.

The move appeared meant to punish the family for drawing international attention to Liu Gang's case when it smuggled out a 16-page letter from him early this year.

Mr. Liu, a former physics graduate student, was sentenced to a six-year term for his leading role in the 1989 movement for democracy.

The family of Mr. Liu, 32, from northeastern Jilin Province, was in Beijing this week seeking a meeting with the Justice Ministry to protest the ban on visits and other alleged abuse suffered by the dissident and his family.

"We intend to use legal means to protect our rights and our dignity," the family said in a statement. "We appeal to China's judicial organs to immediately put a stop to the illegal and repulsive actions by the responsible officials of the Linyuan No. 2 Labor Reform Detachment."

Mr. Qian said that the committee was prepared both for success in the talks and for a breakdown, and that a small group had already begun studying how to form a new legislature after 1997.

"During this second full meeting of the Preparatory Work Committee, we will seriously discuss this

### China's Threat on Hong Kong Official Hints at Readiness to Undo Reforms

**BEIJING** — Foreign Minister Qian Qichen said Thursday that China must begin working on arrangements for Hong Kong's first post-1997 legislature now that Chinese-British talks have deadlocked.

The statement was an implicit threat to dismantle any British-made political changes that are put in place without China's consent before the colony reverts to Chinese sovereignty in 1997.

Mr. Qian said his move was in response to Governor Chris Patten's announcement last week that he planned unilaterally to implement some of his proposals to broaden voter participation in Hong Kong elections next year and the year after.

"Under such circumstances, we must put greater efforts into our work, and the responsibility borne by each member is even heavier," Mr. Qian said at the opening session of a three-day meeting of the Preparatory Work Committee, of which he is the chairman.

The committee is made up of 57 Chinese and Hong Kong public figures charged with preparing for the change in Hong Kong's sovereignty. It is widely believed in Hong Kong that the committee will attempt to operate as a shadow government, undermining British authority during the final years of colonial rule.

Mr. Patten said Wednesday that Hong Kong residents wanted committee members "to make absolutely clear that they are prepared to cooperate with the people in Hong Kong."

Mr. Qian's remarks represented China's first concrete countermove to Mr. Patten's announcement that he would submit a revised version of his democratic reform package to Hong Kong's Legislative Council.

The British-appointed governor's announcement came after 17 rounds of Chinese-British talks since April on the 1994 district board elections and 1995 legislative elections failed to make any progress.

Mr. Qian blamed Britain. "Regrettably," he said, "during the most recent round, the talks degenerated to a deadlock because the British side lacked sincerity and deliberately complicated the issue."

Mr. Qian said that the committee was prepared both for success in the talks and for a breakdown, and that a small group had already begun studying how to form a new legislature after 1997.

"During this second full meeting of the Preparatory Work Committee, we will seriously discuss this

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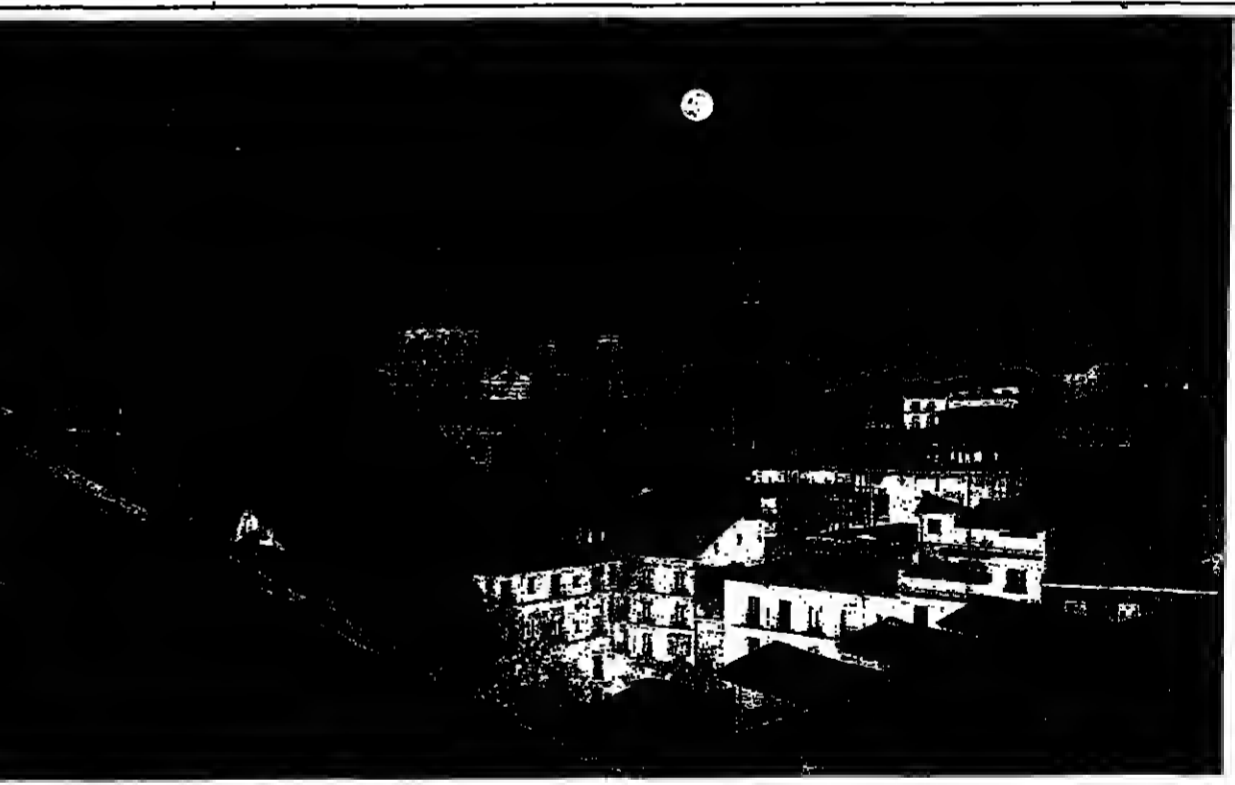
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**At night, Madrileños undergo an amazing transformation.**

As the sun goes down, the people of Madrid are much prone to taking the night air. Hence their feline nickname, "Los Gatos" - It all starts with an early evening "paseo" or stroll. But since most locals don't dine before ten, a "paseo" has a pleasant habit of turning into a tapas tour of the bars. In Madrid, as elsewhere in Spain, good food and culture are traditionally excellent travelling companions. Jazz in one watering-hole. Flamenco in the next. You'll need at least a long weekend to sample the nocturnal delights of the capital. And in the pale light of the third dawn, as you dip fresh churros into a cup of hot chocolate, you'll begin to realise why the Spanish invented the cat-nap.

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It's a Wrap on Hubble Repairs Astronauts to Release Telescope for Testing

By John Noble Wilford
New York Times Service
HOUSTON — The high-flying mechanics and opticians of the shuttle Endeavour completed their repairs of the Hubble Space Telescope on Thursday...

Challenger disaster in 1986. Congressional leaders had warned that failure to fix the space telescope might be fatal to the agency's ambitious plans for an international space station...



Mr. Yeltsin with an aide at the unknown soldier's tomb in Brussels.

YELTSIN: A Blunt New Warning Given to NATO

Continued from Page 1
"Warner, however, indicated that the future of Russia's security relationship with the West may pose the biggest challenge to achieving a successful integration between East and West Europe."

Mr. Yeltsin's comments to Mr. Warner, however, indicated that the future of Russia's security relationship with the West may pose the biggest challenge to achieving a successful integration between East and West Europe.

Senior NATO diplomats contend that offering membership now to the Eastern countries would be counterproductive, saying that it would trigger a crisis with Russia and create a military threat in Eastern Europe that does not exist at the moment.

MIDEAST: Clinton and Assad Will Meet in Geneva

Continued from Page 1
ing movement in the Israeli-Syrian track of the negotiations.

there can be no progress in the Israeli-Lebanese track of the peace talks without a green light from Syria, which has decisive political and military influence over neighboring Lebanon.

Instead, the information they did give indicated that the agreement reached this week centers more on process than substance. In addition to the presidential meeting, Mr. Christopher said that the heads of the Syrian and Lebanese delegations to the peace talks would visit Washington in early January for "preparatory consultations with the United States on the key substantive issues."

CROSSWORD

Crossword puzzle grid with clues: ACROSS 1 David Bowie's model wife, 2 Famed Dublin theater, 10 Tamer of fiction, 14 Canceled, 15 Pen, 16 Paula of "CBS This Morning", 17 Burgeoning, 18 "Read my lips" declaration, 20 Never, 22 Actress Grace of "Mr. Belvedere", 23 It's forbidden, 24 It may be blind, 26 Veteran sailor, 28 Polite refusal, 33 Montreal street sign, 34 Indian craft, 35 Suffix with diet or planet, 36 Bush Attorney General William, 37 become misty, 38 Computer symbol, 39 "How was know?", 40 Buy a round, 41 Cultural Prefix, 43 1987 Casper thriller, 44 Carried on, 45 PC operator, 46 Country ballroom, 47 Alamogordo's county, 50 "Jack Sprat could", 54 Straight from the shoulder, 57 Bear up?, 58 Kuwait ruler, 59 Get — of one's own medicine, 60 Go smoothly, 61 Actress Thompson, 62 Kind of situation, 63 Notted Ferrara family, 4 "I'm not surprised!", 5 Storefront sight, 6 Headache easier, for short, 7 Twining stem, 8 Riviera season, 9 Material for archers' bows, 10 Rhododendron, 11 — Coburg (former duchy), 12 — He Kissed Me" (1963 hit), 13 Addie's husband in "As I Lay Dying", 19 Church gift, 21 Drinking binge, 24 Dunking item, 25 Over, 26 Polo fighter, 27 Lyric of myth, 28 "This way" sign, 29 Complain relentlessly to, 30 Strauss's "Eine", 31 Venedig, 32 Jockey Julie, 33 Religious council, 34 — of Athens, 35 Splitting tool, 36 "I can't go on!", 37 Spinks' deflator, 1988, 41 Deserve, 43 Roman Eos, 44 Mediterranean vessel, 46 Exo Pinza and others, 47 Singles, 48 Tony Musante TV scores, 49 Novelist Bagnold, 50 Sufficient, once, 51 Lippo Lippi et al, 52 Didion's "Play It", 53 Chaucer piece, 55 Antonio de Juan, 56 Conductor de Waart.

RABID: U.K. Obsession

Continued from Page 1
keep wild animals from traversing the tunnel. That system begins with a steel mesh fence, about 10 feet high and buried two feet into the soil, completely ringing the tunnel terminals in Folkestone, England, and Calais, France. It ends with an electrified cattle grid inside the tunnel itself. All of these barriers were tested not merely on rats, cats, dogs, and foxes — the presumed rabies-carrying interlopers — but also on rabid members of those species since they are known to behave more aggressively. Along the way Mr. Crowley and his team also consulted with zoologists and animal behavior experts to determine such things as how deep these animals burrow, how high they jump and even the size of their feet. "We spent millions of pounds," said Mr. Crowley, who now believes it is "virtually impossible" for an animal to penetrate his defenses. Still, skepticism dies hard in Britain.

CORRECTION
The advertising supplement on Russia published on Dec. 8, 1993 incorrectly named the newspaper that employs four of the writers of the section. Steve Liesman, Sander Thoenes, Mark Whitehouse and Mikhail Dubik are on the staff of The Moscow Times.

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A Healthy Convergence

In its struggle to survive, the U.S. banking system is rapidly evolving in Darwinian fashion...

For unsophisticated customers, there is one important drawback. Mutual funds, unlike bank deposits, are not insured by the federal government...

The Door Still Revolves

That revolving door Bill Clinton promised to put his foot to is still spinning. Just the other day it propelled two influential White House aides into top jobs at major lobbying and public relations organizations...

Thomas McLary, the White House chief of staff, missed this point entirely when he asserted that nobody in the White House thought twice about the matter because both officials "are fine, ethical people..."

Both men said that they would not personally exploit their former influence with Mr. Clinton to benefit future clients. Strictly speaking, this puts them within the ethics guidelines Mr. Clinton unveiled just before taking office...

"This is proof of the old adage that no good deed goes unpunished," whined Mr. Stephanopoulos, referring to Mr. Clinton's guidelines. In fact, this good deed was only half a deed tied to a deception...

When Priests Are Criminal

There are few crimes more horrific than the sexual abuse of children, which explains the justifiable rage vented in a Massachusetts courtroom Wednesday at James Porter...

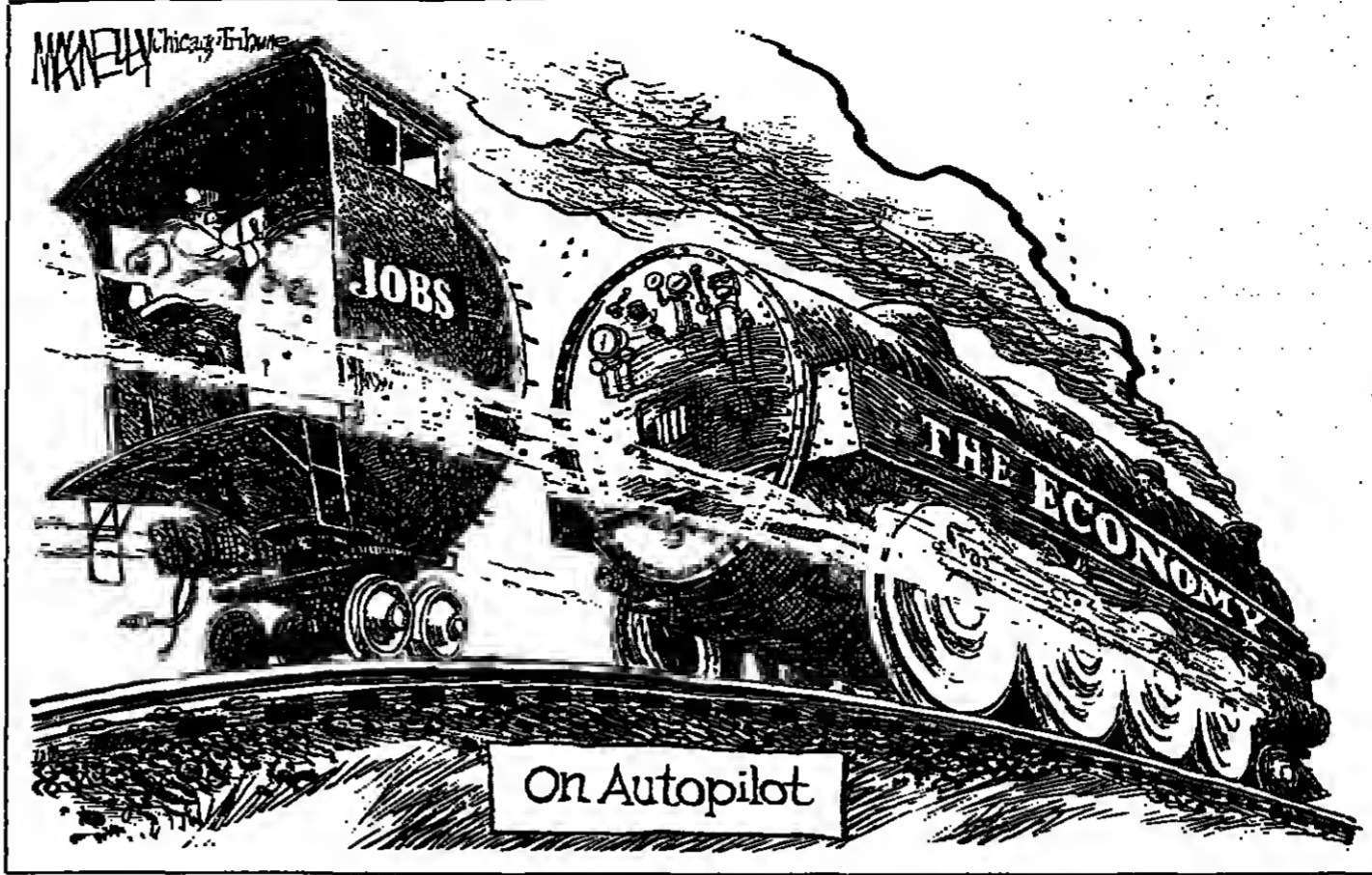
archbishop, received wide publicity even though the charges were unsubstantiated. Ironically, Cardinal Bernardini's has been one of the strongest voices within the church for tougher action against abuse...

The wave of accusations of sexual abuse by Catholic priests has provoked prosecutions, civil suits and out-of-court settlements all over the United States. The church has been forced to re-examine its responses to such charges over the years...

The church should be prepared to cooperate in bringing abusers to justice. Above all, church officials should not allow defensiveness in the face of the many accusations and lawsuits to dull their response to what are, in fact, terrible crimes.

Other Comment

The Uruguay Round is turning into a cliff-hanger. If the negotiations fail, it will effectively end hope for a trade package that could add more than \$200 billion annually to the global economy...



Getting Together While Russia Enters Its Future

PARIS — As Russians head for the polls on Sunday, it already seems evident that the elections and constitutional referendum will not bring the decisive answer on their chances for sturdy democracy...

By Flora Lewis

authoritarianism" — versus principle. It would be absurdly presumptuous to try to impose Western rules, well-established but varying widely from country to country, on a state just launching its experiment with an unfamiliar political system...

There have been signs of reviving Russian imperial aspirations, and a retraction from what national-minded Russian critics consider the overly complaisant, even toadying pro-Western stance of Foreign Minister Andrei Kozyrev...

NATO can bring to their development. They are worried about Russia's eventual intentions in their region. They also worry about each other and their domestic nationalists, who can use security fear in populist campaigns for political power...

For Russians, Stable Government Has to Come First

HELSINKI — The West has made it clear which side it favors in the Russian elections on Sunday: It backs those who support Boris Yeltsin and his reform policies...

By Max Jakobson

ence: the country is still largely run by members of the former Soviet nomenklatura. Mr. Yeltsin has admitted that he made a mistake when he failed to exploit his victory over the coup plotters in August 1991 to pull the plug on the most prominent organ of the Soviet system...

As Richard Pipes puts it in his monumental study of the Russian Revolution, there were, in Russia, no "good" or "bad" governments, only strong and weak ones, and the strong ones were always preferable to the weak...

There is some reason to think so. France has ended the sale of mines, Belgium has forbidden transfer in or out of the country, and the United States, with 46 other nations, has proposed a global moratorium on exports...

Why the World Needs Reform of Japan's Economy

TOKYO — The liberalization of trade has been one of the primary forces for global economic expansion in the past three decades. The countries of East Asia, with their export-led growth strategies, have been among the main beneficiaries...

By Kenneth S. Courts

With debt levels equivalent to those last seen in the United States, the economic situation in North America can best be described as fragile. Further, as a base condition for reversing its own imbalances the United States will have to run an external surplus in the period ahead...

on a balance of economic, financial and industrial power that is no more. New structures are needed to manage the new global balance of power. Given its weight and position in the world, the role that Tokyo can and must play in creating such structures...

The writer, strategist and senior economist for Deutsche Bank in Asia, teaches at Kyoto and Tokyo universities and is chairman of the School of International Studies in Tokyo. He contributed this comment to the Herald Tribune.

Land Mines Ought to Be Outlawed

WASHINGTON The biggest payoff from preventive diplomacy would come from a global agreement to ban the production, export and use of anti-personnel land mines...

Microchips can make a more sophisticated mine, and armies can efficiently blast a narrow corridor through a minefield but demining a country is and will remain for the foreseeable future, a low-tech, agonizingly slow, life-threatening job done — as relief workers say — an arm and a leg at a time.

An exhaustively researched report by the Arms Project of Human Rights Watch and Physicians for Human Rights shows convincingly that the international regime governing land-mine use has been a dismal failure. A silly patchwork of laws, exemptions and loopholes, the 10-year-old Land Mine Protocol is now eligible for international review.

on a balance of economic, financial and industrial power that is no more. New structures are needed to manage the new global balance of power. Given its weight and position in the world, the role that Tokyo can and must play in creating such structures...

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Advertisement for the International Herald Tribune, 100, 75 and 50 years ago, featuring historical snippets and contact information.

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OPINION

# Clinton's Hollywood Fling: Both Principle and Politics

By William Safire

WASHINGTON — French culture is regularly on display in the architect I. M. Pei's modern addition to the Louvre in Paris. This week, in another I. M. Pei structure in Beverly Hills — a tinsel temple on the corner of Wilshire and Santa Monica boulevards — Hollywood financial muscle held a glittering gathering for Bill Clinton.

Afterward, at a \$25,000 to \$100,000 per mogul-couple dinner to benefit the Democratic Party, Barbara Streisand sang "Can't Help Lovin' That Man of Mine"; Frank Sinatra, whose gangland connections did so much to besmirch the Kennedy escutcheon, was inducted into the Clinton circle.

The two Pei structures are about all Paris and Hollywood have in common. The two cultures are locked in a struggle bound to affect international trade and presidential politics.

The American movie industry wants, and deserves, an end to the import tax on U.S.-made films now subsidizing unprofitable French film production.

The French public prefers the American product, to the dismay of France's cultural elite; politicians there, no longer able to protect their farmers from world competition in the trade talks, are making a last protectionist stand on movies.

Their cultural chauvinism is a facade, to use a couple of French words. It fronts for anti-American snobism and a desire to impose quotas to gain economic advantage. Today, movies are targeted; tomorrow, Eurocrats will aim to control satellite and cable entertainment and information.

On the merits — free expression, free trade, fair competition for jobs — the United States should take a stand on this issue in GATT's final week.

Beyond the merits is the politics, which makes this issue so fascinating. California is the most populous U.S. state, the state that is hardest hit by defense cuts and immigration influx, and the most politically pivotal state. Whoever wins California in 1996 will win the next presidential election.

That is why Mr. Clinton has traveled to the West Coast nine times this year. It is why he is willing to risk being seen as out of touch with his pseudo-populist roots by embracing Hollywood's glitterati. It is why he wades hip-deep in hypocrisy, talking about campaign finance reform while using his incumbency to generate millions in fat-cat donations for Democrats.

Also in California is Governor Pete Wilson, a Republican, who has just faxed Mr. Clinton: "We must walk away from a bad GATT agreement." His poll ratings took a plunge after his election, and are now as depressed as the state; confident Democrats are looking toward the inexperienced Kathleen Brown to revivify the Brown dynasty.

But Governor Wilson, a former San Diego mayor and U.S. senator, has been riding a wave of anti-immigrant resentment (troubling to me, but not most voters).

He may benefit from a fact too politically incorrect to voice: Both California senators are women, and the prospect of a woman as governor may evoke a yearning for reverse affirmative action.

An elderly former Californian who has won more campaigns than he lost in that state predicted to me recently that if Mr. Wilson survives in 1994, he will be the most likely Republican presidential nominee in 1996 — and would make a strong candidate.

No wonder Bill Clinton has been commuting monthly to California. No wonder he impressed the fat-cat moguls with his grasp of the case for ending movie tariffs, touching only lightly on the need to curb movie violence.

The U.S. trade representative, Mickey Kantor, until recently a Hollywood superlawyer, received this instruction Wednesday from Mr. Clinton: Hang tough on our proposal. Trade principle and California politics have combined to put steel in the U.S. spine.

*The New York Times*

Los Angeles — Where you stand depends on where you sit. In Hollywood, President Bill Clinton told film and television producers that some of their work was dangerous to the mental health of poor Americans. In Brussels, his trade representative, Mickey Kantor, was telling Europeans they have no right to say that those same movies and programs are dangerous to their national survival.

After 17 years of negotiations, the General Agreement on Tariffs and Trade stalled last week because of what Washington called the small-minded and greedy concerns of the French and their neighbors in the European Community. While the Japanese finally agreed to allow foreign rice into their stomachs, the French insisted that they were willing to go only so far in allowing American pop culture into their hearts and minds.

This is the problem as seen in Paris and capitol all over Europe and much of the rest of the world. American entertainment is the most irresistible (and cheapest) mind-stuffing on the planet. Like bad money, even 20-year-old American television series can drive out the narrower cultures of smaller countries — or, as we Americans call them, markets. That problem, for them, has been dramatized by the government of France and its cultural and financial concerns over the fact that on any given night, 59 percent of French movie-goers are watching American films, and half of French television-watchers are watching American programs.

Both those figures would be much higher if the government did not hold back American cultural imports with a



50 percent limit on the number of hours of American-made television programming and a special 11 percent tax on foreign movies — with \$350 million in receipts from the ticket tariff being used to subsidize the French film industry.

It is those taxes and quotas that Washington demanded that the French eliminate in the interest of free trade — and in expanding the \$1 billion-a-year trade surplus provided by the export of American films, programs and music videos.

"We are not willing to sell out the rights of hard-working individuals," said Mr. Kantor, stating the U.S. position. "American producers and actors are not getting their full royalties."

I'm sure. But, hoping I will not be called a traitor, I think there may actually be more to life than commerce. And I think the French are right. A nation is more than a market, and were I French or Dutch or Spanish, I might hesitate before sharing the whole American good-life package — particularly if I suspected that there just might be a link between the candid violence of U.S. entertainment and the real-life abduction of little girls in California and casual massacres on the Long Island Railroad.

The real threat for us is that the U.S. is exporting its banal way of looking at violence," said Pascal Rogard, director of the French filmmakers union. He and the union have an obvious self-interest in all this, but that does not mean he was wrong when he added, "The whole U.S. marketing campaign is to sell rampant violence."

That, unfortunately, is true. If you

# Of Course the French Want to Save a Bit of Themselves

By Richard Reeves

talk to American filmmakers, they will tell that the only true universal culture-crossing entertainment is violent action adventure — the bloodier the better. Humor, romance, notions of nobility or avarice, even sex may or may not travel well across cultural boundaries, but action sells everywhere.

The power and charm of American images is awesome. That does create problems for other societies. The restriction can be unfair, as Mr. Kantor thinks of the French resistance, or comical, as was Swedish banning of television ratings during the Cold War because that "neutral" country feared any public comparison of the number of Swedes watching "Dallas" on nights when it was up against such tempting Communist fare as the

Bulgarian National Dance Company. French films, most of them, are not very exciting, many are just not very good. But they are French! And the French themselves still delight in heading for cafes afterward to talk about every scene and little movement. They do it now, however, in a country where one out of every four screens last week was showing the same movie, an American one, "Jurassic Park" by name.

I sympathize with the French men and women who find that troubling. We Americans, after all, come from a society that goes to amazing lengths to preserve endangered species of fish and rats and owls. Well, the French are worried about an endangered species, too. Themselves.

"I suspect that for many of you tonight

two panes of glass and a swath of asphalt away. We mourned our friend while those strangers went about a different ritual.

Last Monday would have been Jeff Schmalz's 40th birthday, and he had intended to spend it dining well, as was his wont, at Chanteclere. His memorial service was held at the restaurant instead.

His friends and colleagues remembered him as a superb reporter and editor. And they spoke of the extraordinary work he had done, these last few years, as a gay man with AIDS covering the epidemic for *The New York Times*.

As we sat facing the restaurant window, listening to one and then another speak of Jeff, the couple across the way decorated their tree, insensible to our grief. And it came to me that they were a symbol of all of us who have gone about our business, the straight-world parallel universe, devoid of passion and interest, that has left AIDS activism to the community of men decimated by disease.

"One day soon," Jeff wrote, "I will simply become one of the 90 people in America to die that day of AIDS."

That day was Nov. 6.

And one day soon you too will find yourself in the shadow of the plague; it will grip someone you love.

Here is the real domino theory: Gay man to gay man, bisexual man to straight woman, addict mother to newborn baby, they all fall down and someday it will come to you. The World Health Organization reports that 14 million are now infected and predicts 30 million to 40 million as the millennium approaches.

"I suspect that for many of you tonight

# LETTERS TO THE EDITOR

## Spanish Spoken Here

Regarding the report "Catalanians Open a War of Words: In Schools, No More Spanish" (Nov. 24) by Alan Riding and "Say It in Catalan" (Letters, Dec. 2) from Gomez Crespo:

The impression is given that Catalonia is run by a dictatorial government bent on wiping out the use of Spanish on its territory, a policy that even if it were practiced, which it is not, would be completely nonsensical, given Catalonia's 500-year history of bilingualism.

As academics involved in Spanish and Catalan studies at a number of British universities we have wide personal and professional experience of the linguistic

situation in Catalonia over many years, during the Franco regime and after. We can state that Catalan government policy has aimed to achieve command of both Spanish and Catalan in school-leavers within their territory, and this objective is easily frustrated unless Catalan is introduced early, as one — but only one — of the vehicles of instruction; otherwise, many children who speak only Spanish in their homes may never achieve full bilingualism.

Far from a "War of Words," language policy in Catalonia is concerned with equality and justice for all.

HENRY ETTINGHAUSEN and eight others.  
Cambridge, England.

Gomez Crespo and other Spanish speakers complain of discrimination against non-Catalan speakers in Catalonia. Well, let me tell them that I find that the shoe is rather on the other foot.

Despite street names in Catalan and bilingual notices in public places, I find it increasingly difficult to conduct everyday business in Catalan. Almost invariably, my attempts at using Catalan in stores, post offices, on public transport or in taxis, are frustrated by responses in Spanish by people who have been living and working in Barcelona for years — often all their lives — but have not made the effort to acquire a minimum of proficiency in the local language.

Small wonder that Catalans in Cata-

lonia feel increasingly beleaguered and react in ways that may appear excessive to the uninformed.

AMADEU SOLE-LERIS.  
Rome.

## Political Correctitude

Regarding "Some Words Are Off Limits, Newspaper Decrees (Suggests)" (American Topics, Dec. 1):

What nonsense! What happened to free speech, freedom of the press? And will the deputy managing editor now have to be addressed as deputy personaging editor?

PETER B. MARTIN.  
Valpionde, France.

# As They Die, We Carry On In Our Parallel Universe

By Anna Quindlen

NEW YORK — In the apartment a man and woman decorated a Christmas tree. They looped strands of lights around the branches, stood back to consider the effect, plugged them in so that colored stars danced in the darkness. From across the street we could see them.

NEW YORK — This is the first memorial service you have attended for someone who has died of AIDS. I was with Jeff Schmalz's friend Adam Nagourney, a White House reporter for USA Today. "I can assure you that for me and my gay brothers and sisters here tonight, it is one of many; the most painful, to be sure, but still one of many. I also assure all of you, straight or gay, that this will most certainly not be the last."

"You should be frightened," he added. "And, like Jeff, you should be driven to do something about it."

What? Anything, everything, and without the underpinning of Puritanism that has hobbled us. Yes, it is transmitted by sex. Yes, we take sexual risks. Will you care about any of that when your son is dying, or your sister? We know what needs to be done: clean-needle exchanges, AIDS education for adolescents, money, research, agitation, information.

But, as much as that, we need to care. To a posthumously published cover story in *The Times Magazine*, Jeff wrote, "The world is moving on, unearring, frustrated and bored, leaving by the roadside those of us who are infected and who can't help but wonder: What ever happened to AIDS?"

The answer is that Jeff left it to the rest of us, all of us who understand that the point of being human is the effort to care passionately about others.

The president spoke of Jeff in his speech on AIDS a week ago. "He challenged us all with these words in the article," Bill Clinton said. "I am dying. Why doesn't someone help us?"

If you knew Jeff, if you knew how witty and sardonic he could be, how self-sufficient and confident, you would feel those words as the rebuke they ought to be. But since you did not, I will only ask this: When it is your son's wasted face on the pillow, or your sister's, or your friend's — when they ask that question, what will you say? It is an important question. Will you have an answer?

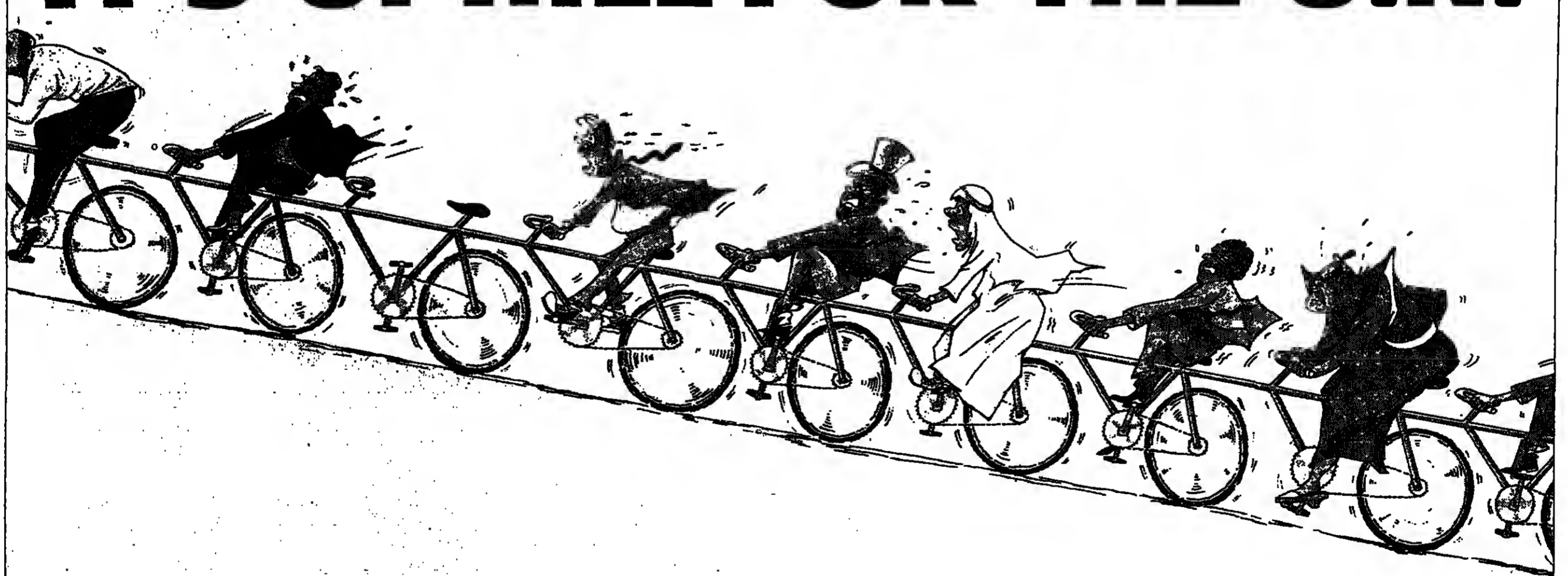
*The New York Times*

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# WITHOUT A FULL TEAM, IT'S UPHILL FOR THE U.N.



Why has the Republic of China on Taiwan, one of the world's strongest democracies, been banished from the world stage? Such exclusion from the U.N. and other world forums is unfortunate and detrimental to world affairs.

All because of rhetoric that ignores reality.

Communist China says the Republic of China on Taiwan does not exist. But that's a ploy which simply won't work anymore. How is it possible to ignore 21 million people, who make up the world's 20th largest economy, 14th largest trading nation, a blossoming democracy, and a colorful culture?

Communist China also argues that the U.N. is not big enough for two Chinese seats, even if only temporarily, until China's unification is achieved. But the U.N. was big enough for two Germans, and it's still big enough for the two divided parts of Korea. So much for that argument.

Rhetoric can't change reality. The Republic of China on Taiwan exists. The international community should not be bullied into playing along with any charade to the contrary. It's high

time the international community says "no" to Peking's attempts to block the Republic of China from assuming its rightful role as a responsible, charitable and key member of the U.N. family of nations.

Yes. The 21 million Chinese on Taiwan are ready, willing and able to assume a role in the U.N., to do their share in building a better U.N. and more harmonious world. Their continued exclusion is no longer justified. Reality and reason, not rhetoric, should make the world go round.

So, isn't it time for the U.N. to give the Republic of China on Taiwan a chance to participate in the most august of world bodies?

The Republic of China on Taiwan. We're Ready.

## TODAY'S TAIWAN

REPUBLIC OF CHINA

## Holiday Survival, Far From Home

By Barbara Rosen

THE most festive time of year can also be the saddest, when you're far away from home when you're not sure where "home" is. For many expatriates, spending the holidays away from family and the familiar can be a bitter-sweet experience.

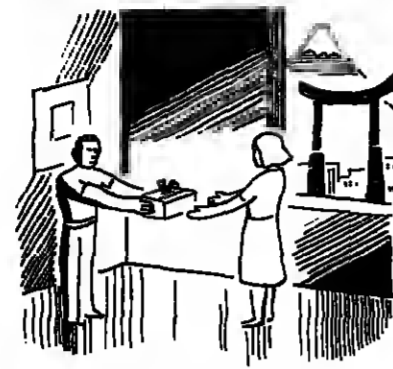
"The holidays definitely play a part in raised levels of depression and sadness and friction — for everyone," says Carla Rodstrom, administrator of Community Health Service, an English-speaking mental-health counseling service in Brussels. "And it's even worse," she adds, "when there's nothing familiar."

Expatriates who don't get back home mark the holidays in different ways. Some seek out compatriots, and try to duplicate home as best they can. Others throw themselves with fervor into the local customs. Some just take a vacation. Here are six of their stories.

Three and a half years after leaving Brazil, Theresza Mascarenhas is glad she came to France. Having found her country too "amoral" a place to raise a child, she and her son, Alexis, now 17, live in Paris. Mascarenhas, 36, is a receptionist in a hotel. This Christmas, like last, she expects she will have to work. Later, she and Alexis will celebrate with French friends "who have sort of adopted us," she says. It's warm and caring, and the meal is similar to what they would be eating at home.

But in Brazil, they would be milling around with relatives as they ate, instead of seated

MacCormack and his friends celebrate, but quietly. Last year, the 25th was a Friday, a non-workday, so he and his house-mates invited over some friends — there were Irish.



British, Americans, Canadians, New Zealanders and Australians. "We made our own crackers and had a turkey and quite enjoyed the day," MacCormack says. Yet as they sang, "we felt sad."

Charlotte Mill, 29, and her husband, Nik Kiddle, 35, got their one home-leave to New Zealand in July, midway through Kiddle's four-year diplomatic posting in Belgium. Once again, Christmas will be spent abroad. Last year, they sat down to Christmas lunch for 18 in their friends' apartment in a chateau on the outskirts of Brussels. "They invited all of the New Zealanders that were left in Belgium," Mill says. It was comfortable, familiar, easy. Even the roast turkey and the roaring fire felt right in the northern European chill; in Auckland, they would be eating cold ham and going to the beach.

The year before, they also went to a party of New Zealanders — but all the other guests had brought their kids. "That's nice if it's your own family and you know all those children," Mill says. "But when they're all complete strangers... It was nice to be invited, but we probably could have had a better day on our own. It was somebody else's Christmas."

Norma Lehmann-Vogelweid, 42, has lived outside the United States for 15 years. Her mother, and her four siblings and their families, are still there. She has thought about going back for the holidays, but she would rather stay in Portugal, with her own ornaments and her Lionel trains. "There's no place like my own home for Christmas," she says.

Lehmann-Vogelweid, her Swiss husband, Bruno, 42, their 10-year-old daughter, Lilian, and Bruno's parents do a mixed Christmas. For the Swiss side, there are candles on the tree, singing and instrument-playing on the 24th, and a German-language church service on the 25th. Dinner, on the 24th, is an all-American affair — turkey, cranberries, pumpkin pie. They have lived in Estoril for four years now, but there is no Portuguese part to their Christmas.

Lehmann-Vogelweid misses her relatives, but not especially at the holidays. "I miss them, but not enough that would make me go back," she says. "They should all come over

at Christmas. I would love to have them here in my home."

In Tokyo, David Jervis avoids doing what he says many locals do in December — flock to expensive department stores and partake of restaurant "Christmas dinners." In choosing presents for their two daughters, 7 months and 2 years, Jervis, a 32-year-old British equities salesman, and his wife, Harriet, 30, order as much as possible from catalogues.

With this Christmas (and Boxing Day) falling on a weekend for the first time in four years, says Jervis, he won't have to work. Previously, he has gone to the office to watch the morning market, then headed home in the afternoon via church. Christmas dinner, at 8, is for 16 — expats, some Japanese spouses, "anybody we know who's around and who isn't going anywhere. We try not to leave anyone out."

"It's certainly not seen as family Christmas," Jervis says. "It's seen as a dinner party with a lot of fun. It's probably the one evening of the year where you're quite happy to have people you don't really know, because it's



quite relaxed. It's an element of all being thrown into one place under particular circumstances. In England I wouldn't like it."

Meanwhile in Newcastle, England, Mineaki Yoshida has a ball, eating Christmas pudding and attending Church of England services. Last year, he and his wife, Miyuki, both 29, had Christmas lunch at one friend's house and Christmas dinner at another's. "Honesty speaking, I don't like Christmas lunch," confesses Yoshida, a personnel adviser for Nissan Motor Manufacturing U.K. Ltd. "It's very oily and too fat and too much meat. Just once a year, it's O.K." New Year's Day finds him watching the Queen's Speech with his British friends.

Back in Japan, Yoshida says, most of the "younger generation" spend New Year's with friends, partying on the eve and visiting a shrine the next day. He tended toward the traditional, spending the holiday with his parents. While Yoshida is popping Christmas crackers in Britain, most of his Japanese colleagues are vacationing on the Continent. "At the moment, the U.K. is our home," Yoshida says. "I want to do the same as British people do."

Barbara Rosen is a free-lance journalist living in Brussels.

## The Big Gift: CDs of Christmas Past

By Mike Zwerin  
International Herald Tribune

PARIS — It's that time of year again. Ho ho ho! Since the pressure to spend money is just about irresistible, we will try steering you in a positive direction. The following expensive CD box-sets for special friends are all from the past, fit for these days when we seem to be nostalgic for breakfast.

• **THE COMPLETE ROULETTE LIVE RECORDINGS OF COUNT BASIE AND HIS ORCHESTRA, 1939-1962** (Music: John F. Kennedy once cited the Greek definition of happiness as "the full use of your powers along lines of excellence." Count Basie must have been a very happy man. His keyboard minimalism, which has been called "pre-edited," has no equal except for Monk. "This was a band at the peak of its very considerable powers," the album notes for this massive eight-CD collection begin. It was recorded in the Americana Hotel, Miami Beach, Bradland, New York, and Grana Lund, Stockholm, the geographical diversity reflects the band's dynamic range and universal swing. The Berlin philharmonic of jazz, or perhaps it's the other way around. An edition limited to 7,500 copies available only from Mosaic Records, 35 Melrose Place, Stamford, Connecticut, 06902.

• **DAVID BOWIE "THE SINGLES COLLECTION"** (EMI): Bowie says that his work should be considered as reflecting "what is in the air at the time. The overall collection of imagery has a texture to it which feels right for the period one is writing in. The depth and width of his imagery is impressive. This two-CD collection covers more than 20 years' worth of singles from the still engaging "Space Oddity" ("This is ground control to Major Tom...") to "Day In, Day Out." Consider the following: 1) "Diamond Dogs"



Count Basie

is as close as you can get to the Rolling Stones without being there (Ron Wood on guitar). 2) An art-rock 20s Berlin-decadent "Alabama Song" (Kurt Weill/Bertolt Brecht). 3) A straight-ahead rocking rendition of the rhythm and blues classic "Dancing in the Street," with guest Mick Jagger. 4) The not-at-all dated "Young Americans," with David Sanborn's saxophone setting the pace.

The layout of the box's booklet is dumb and what little information it contains is in footnote-size print. Nevertheless, hearing these reissues makes you grateful for having had David Bowie around.

• **MESSAGE IN A BOX, THE COMPLETE RECORDINGS OF THE POLICE** (A&M): This four-CD collection has one overriding element in common with the

Bowie box — the marriage of quality and commerciality.

In this case, the booklet should win a Grammy for full-color presentation and complete, clear biographical content (and PR hype — "Jung at heart" indeed). The music is all here, every note they ever issued from masterpieces to B sides with pimples and pretentious instrumental exercises. The Police's pretend-punk, white-reggae, bottle-blende personality might very well have turned out to be the essence of vulgarity. The sum, however, is qualitatively spellbinding. They remind me of Weather Report's "We're the best band in the world" macho chest-pounding image as substance.

Stung has since moved up there with Peter Gabriel and Leonard Cohen as a contemporary composer/interpreter of intelligent songs. Here, pre-1986, he's less mature, but check out "Canary in a Coalmine" and his top-of-the-line jazz-informed bass lines. Stewart Copeland is among the smartest, most talented rock drummers ever — up there with Mitch Mitchell, Dennis Chambers and Robert Wyatt, as far as top of the beat as possible without rushing.

Guitarist Andy Summers was a 35-year-old jazz, blues and rock veteran journeyman when The Police was formed in 1977. He is one underrated reason why they sound larger than a trio.

• **DIJANGO REINHARDT, "L'ESSENTIEL" (EMI-FRANCE)**: Three CDs worth of the best of Django from 1936 to 1946 with the Quintet of the Hot Club of France and others including Coleman Hawkins and Dicky Wells. Too often neglected, Django was the father of modern guitar. The collection ends with the joyful "Echecs of France (La Marseillaise)," the French Gypsy swing equivalent of Jim Hendrix's "Star-Spangled Banner." Stéphane Grappelli once called the Hot Club quintet "the first rock 'n' roll band, nobody had three guitars before us."

## THE MOVIE GUIDE



Gabriel Byrne, at left, and Debra Winger in a scene from "A Dangerous Woman."

### All Under the Moon

Directed by Yoichi Sai, Japan.

Chung, a Tokyo taxi driver, was born in Japan but his parents weren't. They were born in Korea. Consequently they and their children are targets of Japanese prejudice. "I hate Koreans," says one of the other drivers. "They're dirty, they stink and they're stinky. But you're all right. I like you. Lead me some money." Though stigmatized, Chung gets along. He puts up with the prejudice and has a whole stock of stories about how bad it makes him feel. These he uses for picking up impressionable young Japanese women. Yet it is Connie, a Filipina, he falls for. His colleagues are puzzled: "Why would you want to go out with such a dark-skinned person?" His mother displays some reverse racism with: "I absolutely forbid you to marry anyone except our own folk." But Chung chugs along, a lunky, happy loner who has learned not to expect too much. He knows that prejudice makes victims, but all the same wants some happiness himself. This

sane, outspoken, extremely funny film from the director of "Mosquito on the Tenth Floor" is further distinguished by perfect performances from Goro Kishitani and Ruby Moreno as the sexy, scruffy outsiders. (Donald Richie, IHT)

### Conversation With a Cupboard Man

Directed by Mariusz Gрозgork, Poland.

Raised by his seriously loopy, neurotically protective widowed mother Anna (Bozena Adamek) — who never allows him out, even to go to school — Karol (Rafal Obyedki) is cast deliriously into the world when she remarries and abandons him. Terrified by life outside and unable to communicate even with those kindly folk who try to help him, he eventually retreats into the wardrobe of his rented room, into a private, hallucinatory realm, yearning to become a child again. In his first feature film, 31-year-old Grogzork, with the help of consistently superb acting and artful camera work by Jolanta Dylowska, transforms this quirky early film

McEwan short story into a compassionate and thought-provoking study of human isolation, the sensitivity and beauty of which overcomes the subject's inherent gloom. (Roderick Conway Morris, IHT)

### A Dangerous Woman

Directed by Stephen Gyllenhaal, U.S.

In "A Dangerous Woman," Debra Winger sinks deeply into the drab role of Martha Horgan, a sheltered innocent living in a small California town. Characters like Martha have a way of attracting the storyteller's interest at a very precise moment just before the character's peaceful existence is ruptured by some seismic force, a force like sex or death or a symbolic coming of age. "A Dangerous Woman" is soap opera enough to churn up all three. With Winger's early convincing performance as its centerpiece, the film creates a world of sexual chicanery that would do any pretentious series proud. Martha is taken care of by her aunt Frances (Barbara Hershey), a rich, beautiful widow

involved in an extramarital affair with a state assemblyman (John Terry). That liaison starts off the film with a suitable bang, as the assemblyman's wife (Laurie Metcalf) drunkenly drives her car into the widow's front porch as a means of registering her irritation. Martha, a fragile creature in a girlish nightgown and thick glasses, watches this outburst in bewildered horror. But the film intends it as a harbinger of Martha's own act of violence, which is already in the works and will serve as the story's dramatic climax. In the story's saddest role, is Gabriel Byrne as Mackey, the handsome, hard-drinking carpenter who shows up to fix Frances's porch and manages to romance Martha along the way. The cast is attractive; holding the interest even when the story's contrivances are left needlessly exposed. But the only real focus of "A Dangerous Woman" is Winger's furiously self-effacing performance as the staves out perplexedly from behind Martha's glasses and tries to make the audience understand what Martha sees. (Janet Maslin, NYT)

## HOLIDAYS & TRAVEL

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LEISURE

THE ARTS GUIDE

The Growing Threat of Malaria

By Roger Collis  
International Herald Tribune

THE World Health Organization says that at least 200 million people catch malaria each year, resulting in around 2 million deaths worldwide. In 1991, more than 1,000 cases were reported in the United States and about 10,000 in Europe — 1,200 in Brazil alone. Almost one in every 100 visitors to West Africa gets malaria.

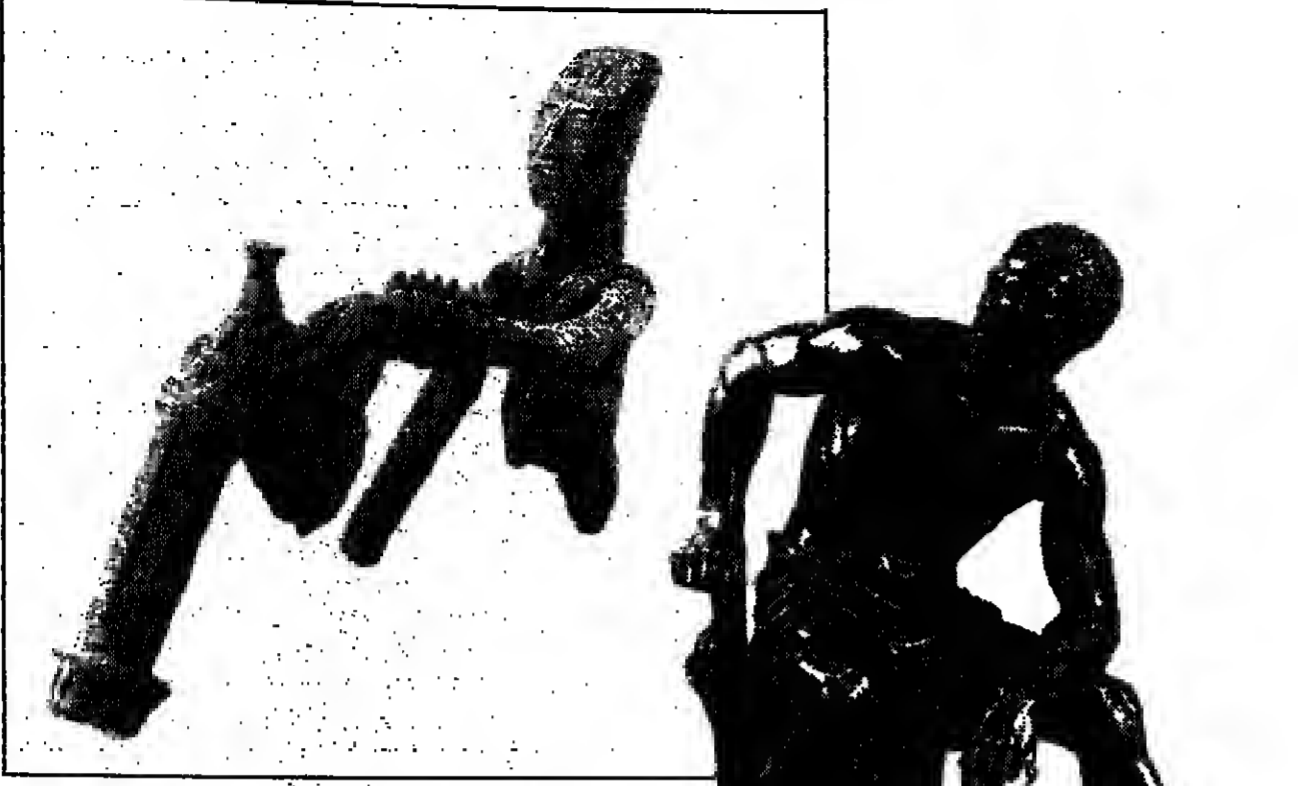
not recommended for travelers taking "beta-blockers" for heart conditions. And it can induce vertigo, nausea and serious neuro-psychiatric effects.

ternative oow for very high-risk areas — where all other drugs fail — is quinine-doxycycline, a new thing.

The Frequent Traveler

cy therapy [three tablets of Fansidar] — a combination of Fansidar and Larium] in case they have fever and cannot reach a doctor within six hours.

Malaria often escapes detection because it mimics other diseases, with symptoms ranging from fever, headaches, chills and sweating, to stomach pains, jaundice, diarrhea, or just feeling lousy. Malaria can break out as



Art from Niger in Paris; bronze figure in New York.

AUSTRIA

Vienno Museum des 20. Jahrhunderts, tel: 78-25-50, closed Wednesdays. To Jan. 9: "Denise." Pictures, sculptures, objects and installations by contemporary Czech and Slovak artists.

BELGIUM

Antwerp L'Europe a Table, tel: (3) 233-02-84. To Dec. 31: "Several museums explore the world of gastronomy. The Musée Plantin exhibits recipe books dating back to the 17th century; the Bourse du Commerce hosts an exhibition of drawings, books, and objects used in the dining rooms of the Antwerp bourgeoisie at the turn of the century, and the Maison des Brasseurs reveals the secrets of beer production.

FRANCE

Paris Bibliotheque-Musee de l'Opera, tel: 47-42-07-02, daily. To Feb. 27: "Voyages d'Opera." Nineteenth-century drawings, watercolors and gouaches of costumes and sets for operas that take place in Oriental or exotic settings.

HONG KONG

Museum of Art, tel: 734-2187, closed Thursdays. To Jan. 2: "Treasures of Chang'an, Capital of the Silk Road." An ancient Chinese capital of the Han and Tang empires as well as the Eastern terminus of the Silk Road. The exhibition features more than 100 works, including porcelains, wares, bronzes, stone sculptures and silk fabrics.

SINGAPORE

Empress Place Museum, tel: 336-73-33. Continuing/To July 1994: "War and Ritual: Treasures of the Warring States." An exhibition of Chinese bronze culture from the Warring States period (475-221 B.C.).

SPAIN

Madrid Museo Nacional Centro de Arte Reina Sofia, tel: 467-53-52, closed Tuesdays. To Jan. 13: "Vienna 1900." More than an evocation of painters such as Klimt, Schiele or Kokoschka, this exhibition is a reconstruction of fin-de-siecle Vienna. Among the more 450 pieces, can be found sections on architecture (Hofmann), literature (manuscripts by Musil and Freud) as well as music (Mahler, Schoenberg) collectively emphasizing the far-reaching influence of the city prior to the collapse of the Austro-Hungarian empire.

SWITZERLAND

Geneva Petit Palais, tel: (22) 346-14-33, daily. To Jan. 30: "De Matisse a Kandinsky." From Fauvism to Expressionism, works by Kandinsky, Matisse, Braque, Vlasovitch, Dely and van Dongen.

UNITED STATES

New York National Academy Museum, tel: (212) 389-4880. To Feb. 27: "American Dimensions." Includes 36 freestanding and relief sculptures in plaster, marble and bronze by artists such as Horatio Greenough and James Earl Fraser, John Quincy Adams Ward.

BRITAIN

Cambridge Fitzwilliam Museum, tel: (223) 332-800. To Jan. 9: "Robert and the Court of Henry VIII." Marking the 450th anniversary of the death of Holbein the Younger, the exhibition features portraits and miniatures of Court members, soldiers, politicians, family and friends, including Sir Thomas More, Richard Southwell and the poet Henry Howard.

GERMANY

Cologne Josef-Haubrich-Kunsthalle, tel: (221) 2-335. Continuing/To Jan. 2: "Von Malewitsch bis Kabbakov. Die russische Avantgarde im 20. Jahrhundert." Features 800 paintings, sketches, drawings, gouaches and photographs from the pre-revolution era to the post-Stalinist reaction.

ITALY

Venice Museo Correr, tel: (41) 52-06-288. To April 4: "Pietro Longhi." 50 paintings, 35 drawings and 14 prints by the 18th-century Venetian painter famous for his ironical description of Venetian life and manners.

JAPAN

Kyoto The Museum of Kyoto, tel: (75) 222-0888, closed Dec. 15. To Dec. 28: "Toulouse-Lautrec and Japonism." About 90 paintings, sketches, prints and posters showing the painter's interest in Japan.

METHERLANDS

Amsterdam Tropenmuseum, tel: (20) 56-88-215. Continuing/To Jan. 2, 1994: "Jewelry of Old Japanese Gold: 4th-15th Century."

CANADA

Montreal Musée des Beaux-Arts, tel: (514) 285-2000, closed Mondays. To Jan. 9: "Design 1935-1965: Ce Qui Fut Moderne." Over 250 pieces — furniture, ceramics, glassware, textiles, jewelry and posters illustrating the evolution of design in the mid-20th century.

CZECH REPUBLIC

Prague Smetana Hall, tel: (2) 226-14-51. Seiji Ozawa and the Boston Symphony Orchestra conclude their European tour with an all-Dvorak gala concert featuring Yo-Yo Ma, Frederica von Stade, Izhak Perlman and Rudolf Firkušný. Dec. 16.

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# NYSE

Thursday's Closing  
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Symbol	Price	Change
IBM	100.00	+0.25
MSFT	55.00	+0.50
ORCL	45.00	+0.25
GOOG	120.00	+1.00
AMZN	35.00	+0.50
EBAY	25.00	+0.25
YHOO	15.00	+0.10
GOOGL	180.00	+1.50
AMZN	35.00	+0.50
EBAY	25.00	+0.25
YHOO	15.00	+0.10
GOOGL	180.00	+1.50

Symbol	Price	Change
DIS	25.00	+0.25
WMT	45.00	+0.50
CVS	35.00	+0.25
WAL	25.00	+0.10
LOW	15.00	+0.10
HD	25.00	+0.25
AMZN	35.00	+0.50
EBAY	25.00	+0.25
YHOO	15.00	+0.10
GOOGL	180.00	+1.50

Symbol	Price	Change
INTL	100.00	+0.25
INDX	100.00	+0.25
SP500	100.00	+0.25
DOW	100.00	+0.25
NYSE	100.00	+0.25
AMEX	100.00	+0.25
OTC	100.00	+0.25
FOREX	100.00	+0.25
COMMOD	100.00	+0.25
BOND	100.00	+0.25
CURRENCY	100.00	+0.25

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FOREX	100.00	+0.25
COMMOD	100.00	+0.25
BOND	100.00	+0.25
CURRENCY	100.00	+0.25

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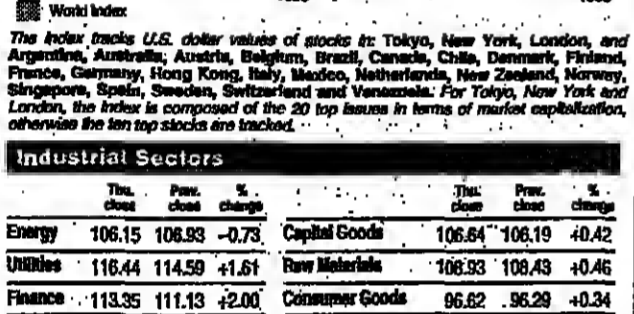
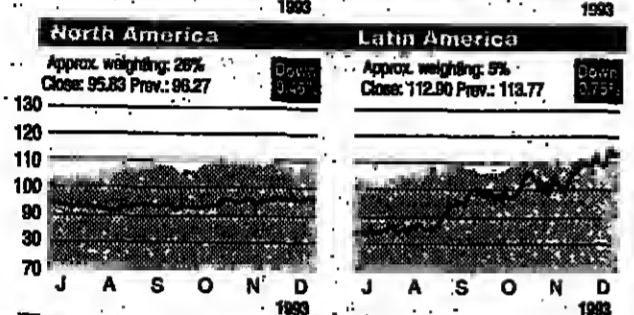
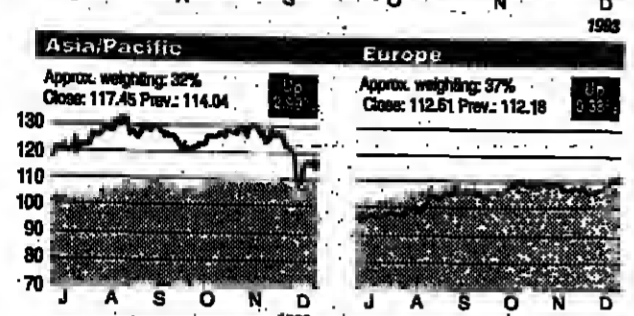
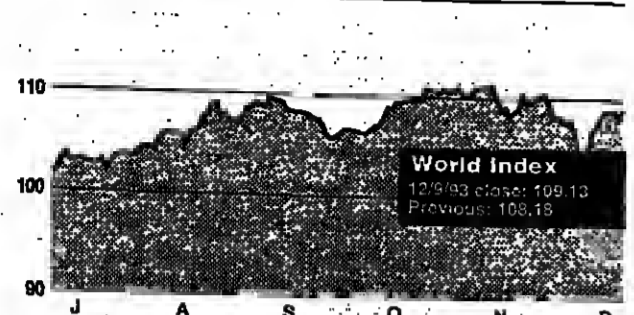


Table with 4 columns: Sector, This Close, Prev. Close, % Change. Rows include Energy, Utilities, Finance, Services, Industrial Goods, Raw Materials, Consumer Goods, and Miscellaneous.

Key Ruling Gives QVC An Edge on Paramount

WILMINGTON, Delaware — The Delaware Supreme Court on Thursday upheld a ruling stripping Paramount Communications Inc. of key anti-takeover defenses. The decision dealt a blow to Paramount's plans to merge with Viacom Inc. and gave the hostile bidder, QVC Network Inc., a better shot at the entertainment and publishing giant.

GATT Takes a Star Turn Trade Group Steps Out of Obscurity

By Roger Cohen New York Times Service GENEVA — In the days when the world focused on the number of warheads in the East and the West rather than the number of tons of subsidized beef the European Community could export, the bureaucrats at the General Agreement on Tariffs and Trade labored in peaceful anonymity.

IBM Reluctant To Join Bail-Out Of Groupe Bull

By Jacques Neher International Herald Tribune PARIS — France's effort to bail out Groupe Bull, its state-controlled computer company, took a small step forward but may have also taken a large one back on Thursday.

Cameras whirl without letup in the entrance hall as dignitaries file in. Two calls a week to the press department have become several hundred a day.

track authority to ask Congress to vote on an agreement without amending it expires — borders of folks are traipsing into GATT headquarters to press their concerns and try to unearth what is really at stake.

Seoul Reluctantly Allows Rice Imports

SEOUL — President Kim Young Sam, apologizing for breaking his election pledge, said Thursday that South Korea would have to end its longstanding ban on rice imports.

WALL STREET WATCH

Are Mutual Funds Past Their Peak?

By Tom Petrino Los Angeles Times Service WHEN investment giants such as John Templeton and Howard Stein decided to sell the mutual fund companies they have built over three decades, clocking and head shaking naturally follows on Wall Street.

Metallgesellschaft Unit to Sell M.I.M. Stake

Compiled by Our Staff From Dispatches TORONTO — Metall Mining Corp., a Canadian company in which Germany's beleaguered Metallgesellschaft AG has a controlling stake, said Thursday that it planned to sell its 14 percent stake in M.I.M. Holdings Ltd., the Australian mining company.

French Bank Replenishes Its Reserves

Compiled by Our Staff From Dispatches PARIS — The Bank of France's net foreign-exchange reserves are again firmly in positive territory, eliminating one of the factors that had weighed down the franc in recent months, figures released Thursday show.

CURRENCY & INTEREST RATES

Large table containing various financial data including Cross Rates, Eurocurrency Deposits, Key Money Rates, Other Dollar Values, Forward Rates, and Gold prices.

Advertisement for Benoit de Gorski Blancpain watches. Includes an image of a watch and text: 'Since 1735 there has never been a quartz Blancpain watch. And there never will be. Benoit de Gorski. 80 Rue du Rhône, 1204 Geneva, Switzerland. Tel. 021 31 30 00. Telex: 410601. Fax: 021 31 30 01 65.' See RESERVES, Page 14



EUROPE

VW Sees 1993 Loss Of 2.3 Billion DM But No 1994 Deficit

WOLFSBURG, Germany — Chief Executive Ferdinand Piëch of Volkswagen AG, Germany's largest carmaker, said Thursday it expected a net consolidated loss of 2.3 billion Deutsche marks (\$1.35 billion) for 1993, compared with a profit of 147 million DM in 1992.

But he said that the company was likely to break even at the consolidated level next year and that the parent company would post a net profit of 60 to 80 million DM this year. He added that the profit of the parent might allow the company to pay an unchanged dividend of 2 DM for this year.

Mr. Piëch did not rule out the possibility that the company would omit its dividend, but he said the board was unlikely to take such a measure because of the need for continuity in its dividend policy. Analysis said the announcement was roughly in line with expectations; the company's stock rose 2.30 DM, to 425.80 DM.

Volkswagen has been hit by the weak European auto market. The company has undertaken restructuring moves, including the introduction of a four-day work-week and reduced pay at its German plants.

Two weeks ago, Mr. Piëch said the company's consolidated loss would match that of its Spanish unit SEAT, which has been estimated at 2 billion DM.

An agreement has not been reached with Spanish unions on the closure of a plant in Barcelona and the elimination of 9,000 jobs. An accord must be achieved by Dec. 17, one day before VW's supervisory board is scheduled to hold a meeting to approve a restructuring of SEAT.

Mr. Piëch also said Thursday that VW sales would drop 10 per-

cent, to around 77 billion DM, while unit sales would be down 12 percent, to 3.1 million cars. Hans König, an analyst at BHF-Bank, said cost-cutting measures introduced by José Ignacio López de Arriortua, head of production and purchasing, were likely to take effect in 1994, making plausible the prediction the company would break even. "The measures that have been taken are the right ones, but it will be a stony path for VW," he said.

(Bloomberg, AP, AFP, AFP)

Condom Maker Reports Loss For First Half

LONDON — London International Group PLC, the maker of Durex condoms, said it had a pretax loss of £5.1 million (\$7.64 million) in the first half of the year and would cut 2,000 of its 10,500 jobs worldwide in a six-month restructuring.

The loss, the biggest by a major British company in the health and household sector in several years, left analysts "quite shocked," according to Robin Gilbert of Panmure Gordon. "We were prepared for pretty bad figures, but it's hard to see how they managed to make a loss," he said.

The company said it would sell its unprofitable photo-processing unit and other non-core businesses in the restructuring.

(Reuters, AFP)

Investor's Europe

Table with columns for Exchange, Index, Thursday Close, Friday Close, and % Change. Includes data for Frankfurt DAX, London FTSE 100 Index, Paris CAC 40, Amsterdam CBS Trend, Brussels Stock Index, Frankfurt DAX, Frankfurt FAZ, Helsinki HEX, London Financial Times 30, London FTSE 100, Madrid General Index, Milan MIB, Paris CAC 40, Stockholm Affärsveckeligen, Vienna Stock Index, Zurich SBS.

Very briefly:

- Skandinaviska Enskilda Banken said it was pulling out of negotiations to acquire Gota Bank from the Swedish government. State-owned Nordbanken is now the only institution with a bid outstanding for Gota.
• Denmark is set for growth in gross national product next year of 3 percent in 3.3 percent, up from 0.2 percent this year. Economy Minister Marianne Jelved said. Separately, the Danish central bank cut its repurchase rate a quarter of a point, to 7 percent.
• Credito Italiano's privatization sale was closed Tuesday, three days ahead of schedule, because it was six times oversubscribed.
• Pilkington Glass Ltd. said pretax profit for the six months ended Sept. 30 doubled to £30.5 million (\$45 million) from £15.1 million a year earlier as a result of cost-cutting.
• West German consumer prices rose 3.6 percent from a year earlier in November, compared with a year-on-year rise of 2.9 percent in October.
• Pechiney SA said its canning subsidiary Pechiney International faced a net loss of as much as \$75 million on forward metal purchase contracts.
• VIAG AG and Bayerwerk AG said they had formed a venture to develop and market telecommunications networks to transmit computer and audiovisual information.

Lloyd's Names To Reject Offer

Agence France-Press LONDON — A settlement package of £900 million (\$1.35 billion) offered by the Lloyd's insurance market to aggrieved members will be overwhelmingly rejected, Christopher Stockwell, spokesman for the members or names, said on Thursday. Of 26 groups representing the names concerned, 24 will recommend rejection of the offer, he said. Lloyd's wants the names, in return, to drop claims totaling £3.3 billion against the insurance market.

EUROPE: Focus Shifts From Trade to Trade-Offs

Continued from Page 1 to demonstrate Friday against those measures, which include limiting wage increases to less than the inflation rate, cutting social welfare programs and raising taxes.

The leaders' other preoccupation will be their big push to the east. They dined with President Boris Yeltsin on Thursday evening in a gesture of personal support for the Russian president ahead of parliamentary elections and a referendum Sunday on a draft constitution proposed by him.

Mr. Yeltsin also signed a draft partnership agreement promising greater Russian access to the EC

market, even though the formal pact remains held up by a recent decree of Mr. Yeltsin's imposing new barriers to Western banks and by French attempts to protect its nuclear-fuel industry from Russian competition.

The commission's president, Jacques Delors, predicted that those disputes would be resolved in coming days, and Russian officials said they had made commitments to take down the banking barriers. Mr. Yeltsin said their agreement showed that "one more Berlin Wall is crumbling" and said he was confident that Russians would recognize the value of his diplomacy when they vote Sunday.

Whether EC leaders will keep to their agenda or digress into trade payoffs will depend largely on France. Although Prime Minister Edouard Balladur welcomed the renegotiated farm pact that the commission extracted from Washington this week, he insisted that France needed pledges from its partners before it would ratify any global trade pact.

The most important is a demand to strengthen EC trade weapons by giving the commission increased powers to impose anti-dumping penalties. Germany has blocked that proposal for the past year, with help from the Netherlands and Britain.

GATT: Out of Obscurity

Continued from Page 13 peated message: Failure could lead to anything from a prolonged world economic slump to a gradual unraveling of the Atlantic alliance.

Europe's 9 million farmers, whose ability to unload tons of subsidized food onto the world market would be limited by an accord, naturally have a different view. Their representatives say that a GATT agreement, as now envisioned, would be disastrous.

The farmers' idea of catastrophe came as described by Andrej Herlitska, who works with Europe's main agricultural organization.

"One-third of full-time agricultural jobs would be lost," Mr. Herlitska said. "Farm income would fall by about 50 percent. More than 11 million hectares [27.1 million acres] of agricultural land would be idled. It would be an economic disaster for Europe."

All this, the farmers argue, would stem from what is known as the Blair House agreement, concluded late last year between representatives of the European Community and the United States at Blair House in Washington. They agreed to reduce exports of subsidized grain and other foods from the European Community by 21 percent over the next six years. This provision is supposed to be integrated into a final GATT accord.

How could all those forecast disasters flow from a trade agreement, Mr. Herlitska was asked. Well, he said, take European cheese.

Worldwide sales of cheese from European countries have been exceedingly good in recent years. But the Blair House agreement stipulates that the reference point for the 21 percent cutback would be average sales in 1988-90.

Therefore, Mr. Herlitska said, in the first year an overall GATT accord was in effect, European cheese sales would have to be reduced 22 percent — 18.5 percent as a result of going back to the 1988-90 reference point from current sales levels, and 3.5 percent more as the first stage toward the 21 percent goal.

Like much else in the growing lexicon of GATT data and interpretation, the validity of such an argument is not easy to verify. A few years ago, warheads were warheads, identifiable and limited in number — but cheese is all over the place.

Might Brie and Camembert really disappear from the supermarkets of Singapore or Manila if the Blair House provision were not changed?

FIDELITY PACIFIC FUND SA Sociedad Anonima incorporated under the laws of Panama. Notice is hereby given that the Extraordinary Meeting of the shareholders of Fidelity Pacific Fund S.A. ("the Corporation") will be held at Kansallis House, Place de l'Etoile, BP 2174, L-1021 Luxembourg on January 7, 1994 at 10.30 a.m. for the following purpose: AGENDA 1. To approve and agree a Scheme of Amalgamation of the Corporation and Fidelity Funds (sub-fund Pacific Fund), a société anonyme qualifying as a "société d'investissement à capital variable" constituted under the laws of the Grand-Duchy of Luxembourg ("the Scheme"), and Further to resolve: that the Board of Directors be and hereby is authorised and empowered, without further action by the shareholders, to convert all the property and assets of this Corporation into Shares in the sub-fund of Fidelity Funds and to effect this to take any and all actions, and do any and all acts which may, in its opinion be necessary or proper. 2. To resolve to dissolve the Corporation in accordance with the Scheme and that the Board of Directors of the Corporation takes all necessary steps to consummate its dissolution, and Further to resolve: that the Board of Directors be and hereby is authorised and empowered, without further action by the shareholders, to take any and all actions, and do any and all acts which may, in its opinion be necessary or proper to wind up the affairs of the company. Further to resolve: that the property and assets of this Corporation being Shares in the sub-fund Pacific Fund of Fidelity Funds be distributed in specie, proportionately among the shareholders. Further to resolve: that the President, the Secretary and the Treasurer of the corporation be and they are hereby authorised and empowered and directed to cause notice of the adoption of the above resolutions to be given and in file and record any documents, as may be required by law. On the approval of the resolutions in Agenda Item 1 the meeting will be adjourned to acquire the shares in the sub-fund Pacific Fund of Fidelity Funds in accordance with the Scheme. The meeting will then be reconvened to resolve the dissolution of the corporation. Approval of the above items of the agenda will require the affirmative vote of a simple majority of the voting shares of the Corporation in issue. Each share is entitled to one vote. Holders of registered shares may vote by proxy by mailing a Form of Proxy obtained from Fidelity Investments Luxembourg S.A., the Fund's registrar and transfer agent, to the following address: Fidelity Pacific Fund S.A. c/o Fidelity Investments Luxembourg S.A. Kansallis House Place de l'Etoile BP 2174 L-1021 LUXEMBOURG Holders of bearer shares may vote by proxy by obtaining from the above institution a form of bearer shareholders proxy, certificate of deposit and receipt for bearer share certificates, against deposit of their bearer share certificates, and mailing the proxy and certificate of deposit to the Corporation at the address set forth in the preceding paragraph. Alternatively, holders of bearer shares wishing to exercise their rights personally at the meeting may deposit their share certificates, or a certificate of deposit therefore, with the Corporation at the address set forth in the preceding paragraph, against receipt therefore, which receipt will entitle said bearer shareholders to exercise such rights. All proxies (and certificates of deposits issued to bearer shareholders) must be received by the Corporation at the registered office of the Registrar not later than five o'clock in the afternoon (Luxembourg time) on Tuesday, January 4, 1994 in order to be used at the meeting. Dated: November 26, 1993 By Order of the Board. Fidelity Investments

NASDAQ Thursday's Prices. Table listing various stocks and their prices.

Table with columns for High, Low, Last, etc. listing various stocks.

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NYSE

Thursday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

Table of NYSE stock prices with columns for High, Low, Stock Name, Div, Yld, PE, and High/Low/Last/Close.

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INTERNATIONAL FUNDS

Dec. 9, 1993

Quotations supplied by Fund Source. Most asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue prices.

Main table of International Funds with columns for Fund Name, Asset Value, and other details. Includes sub-sections like 'Other Funds' and 'FUND MANAGERS'.

AS - Australian Dollars; AU - Austrian Schillings; BF - Belgian Francs; CA - Canadian Dollars; DM - Deutsche Marks; ECU - European Currency Unit; FF - French Francs; ... For information on how to list your fund, fax Simon OSBORN at (33-1) 46 37 21 33.

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Export Outlook Helps Bolster Tokyo Stocks

TOKYO — Japanese stocks surged Thursday on signs that the United States may condone a rise in the dollar against the yen and a comment from the central bank governor that he was watching the equity market with concern, traders said.

Both comments helped stocks higher in the afternoon, said Louis Tseng, managing director of equity derivatives at Lehman Brothers. Export-oriented stocks surged on a comment from Wayne Angell, a governor of the U.S. Federal Reserve Board, to London economists on Wednesday that the dollar could rise to 120 yen and that a weaker yen could help spur economic recovery in Japan.

Hanoi Courted in Debt Markets

Vietnam's Ambitions Keep Bankers Coming Back

By Kevin Murphy International Herald Tribune

HANOI — Foreign bankers and government officials predicted a Paris Club meeting of Vietnam's sovereign creditors Monday would show firm progress on the rescheduling of \$4.5 billion of hard-currency debts.

But despite encouraging signs of economic reform and the development of its domestic capital markets, Vietnam is not likely to launch any government-backed commercial debt issues soon.

Government officials say they are in no hurry to return to commercial debt markets, despite the hopes of potential underwriters making the rounds in Hanoi.

"Many bankers have come to us with deals, some of them offering to buy our borrowings," Tran Van Ta, secretary-general of Ministry of Finance, said. "We will raise the question of renegotiating our debt to the Paris Club and then see what our next steps should be. It will take time."

Vietnam has moved quickly since the United States, which has a trade and investment embargo against the Communist regime, agreed to let other countries help Hanoi repay its International Monetary Fund arrears.

It has negotiated accords with the IMF, the World Bank and the Asian Development Bank clearing the way for countries to pledge \$1.86 billion in aid.

"Now that various impediments to Vietnam's receiving multilateral funds have been lifted, Vietnam recognizes the next step is to sort out its Paris Club arrears," said Andrew

Kershaw of ANZ Group's merchant-banking division in Hong Kong, which makes a market in Vietnamese debt. "That eventually will lead to a deal with its commercial-bank creditors."

Apart from its multilateral lenders, Vietnam owes about \$4 billion to other governments plus 11 billion rubles to the former Soviet Union and other Comecon countries and about \$300 million to commercial banks.

The ruble-debt issue, which Mr. Ta does not expect to be resolved until 1995, is particularly complex. The newly independent

dem in the emerging markets debt trading group of J. P. Morgan & Co. in Hong Kong.

"There are clear parallels with the trading pattern of Peruvian commercial-bank debt," said Ms. Petras, who said she expected the price to climb if and when Americans were allowed to do business in the country.

"In Peru, the combination of improving economic fundamentals and a willingness to address its external debt problems resulted in a rise in price from 3 cents to 70 cents on the dollar in recent years," Ms. Petras said.

Regardless of the Paris Club meeting's outcome, Vietnam is pressing ahead with ambitious plans to create a stock market, a banking system and a debt-trading system on a par with other regional markets.

"These are priority areas for the state bank and the government," said Nguyen Khac Thuc, deputy director of the State Bank of Vietnam's foreign department. "But we must follow a careful approach. We must carry it out step by step."

The central bank of Vietnam, which hopes to bolster its role as a supervisory body while reducing its direct involvement in markets, wants local commercial banks and foreign banks in the country to step up their activities in the fledgling foreign-exchange and inter-bank-lending markets.

"They want these things to happen now," one banker advising Hanoi on modernizing its markets said. "The infrastructure, regulations and people skills aren't there yet, but they will be in six months to a year."

ASIAN CAPITAL MARKETS

countries of the former Soviet Union face negotiations over who is owed what; then the exchange rate must be established.

"At current rates, the debt is virtually nothing," an economist at an international agency said. At current market rates, 11 billion rubles would be about \$9 million, equal to 1.8 percent of Vietnam's commercial-bank debt. "But if they stick with an exchange rate of 2.4 rubles to the dollar, Vietnam still has some large debts to pay off."

But, buoyed by signs that Vietnam wants to clear the obstacles to its future borrowing, its tightly held government-backed commercial debt is now trading at about 52 cents on the dollar, up from 3 cents a few years ago.

"While it may appear overvalued now, the market is betting that the Vietnamese government will restructure or restructure its debt as other emerging market countries have done in recent years," said Teresa Petras, a vice presi-

Investor's Asia

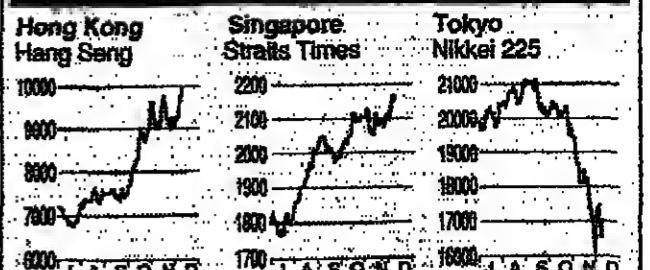


Table with columns for Exchange, Index, Thursday Close, Prev. Close, and % Change. Rows include Hong Kong, Singapore, Sydney, Tokyo, Kuala Lumpur, Bangkok, Seoul, Taipei, Manila, Jakarta, New Zealand, and Bombay.

- Taiwan's cabinet cut its target for 1994 growth in gross national product to 6.2 percent from 7 percent...
• Yamaha Motor Co. will form a joint venture in China's Sichuan province...
• China's industrial output grew 18.9 percent in November from a year earlier...

Very briefly:

- The Australian parliament began an inquiry into government's approval of the Canadian media magnate Conrad Black taking a 25 percent stake in the country's oldest newspaper concern...
• Australia's High Court will hear a challenge to the 1989 Timor Gap treaty established to exploit oil reserves offshore between Australia and Indonesia...
• Hokkaido Tokai Bank Ltd. and 32 other Japanese creditors plan to write off 220 billion yen (\$2 billion) in loans to Esco Leasing Co...

Taipei Set To Loosen Equity Ban

TAIPEI — The government is considering ending a ban on overseas equity issues by companies listed on the Taiwan Stock Exchange to raise capital for projects in mainland China, a Securities and Exchange Commission official said Thursday.

Officials of the securities commission and Mainland Affairs Council, the cabinet body that oversees Taiwan's policies toward China, have met with other government organizations and business executives to discuss dropping the restriction, said Chen Shih, vice chairman of the commission.

A Bid by Gillette Frightens Indian Industrialists

BOMBAY — Gillette Co.'s bid for a stake in India's biggest razor blade maker has revived fears among local industrialists of multinational takeovers of the country's consumer sector following economic reform.

two brothers, who own the other 67 percent, from selling 26 percent of the company to Gillette. The case will be heard Dec. 15, said K.L. Sawhney, legal adviser for the Calcutta-based brothers, V.P. and S.N. Malhotra.

Harbanslal Malhotra, like many of companies belonging to the protesting industrialists, dominates its domestic market. "But Gillette is a world monopoly," Rajinder Malhotra said. "Gillette's entry will be a precursor to it taking over the company."

His brothers' legal adviser, Mr. Sawhney, said the deal may ultimately end in Gillette raising its equity in Harbanslal Malhotra to 49 percent. "We must have Gillette's latest technology to be able to compete globally," Mr. Sawhney said. Gillette has refused to comment on the issue or reveal how much it would pay for its stake.

Mr. Malhotra said that should Gillette gain control of Harbanslal Malhotra, it would make a mockery of the reforms, aimed at dismantling controls in the socialist-style economy. "Globalization of our economy should happen, but this is not globalization when a multinational tries to take over a thriving company," said Mr. Malhotra, who also runs Vidvut Mezzalana, another blade company.

INFLATE: Deep-Seated Change Ushers In an Era of Slowly Increasing Prices and Wages

Confidential from Page 15 Asia, and India to gain access to technologies which permit them to produce most of the manufactured goods and many of the services the world wants to buy. And they are willing to produce them at wage rates a fraction of those in the rich economies.

And for the first time since the economy emerged from its last recession a decade ago, most economic forecasts also call for growth equal to or better than the inflation rate. This was underlined Thursday with the government's report that, thanks to a 2.7 percent decline in energy prices, wholesale prices were unchanged last month. The core index, excluding food and energy, has dropped almost 1 percent since July.

The economists of three major Wall Street bond houses, First Boston's Mr. Sos, Robert Giordano of Goldman Sachs, and John Lipsky of Salomon Brothers, separately

forecast inflation at around 2.7 percent. If confirmed, this would add up to the longest period of low inflation since the mid-1960s. More reassuring for investors, the economists see barely any movement in long-term U.S. interest rates, now at about 6.2 percent for government bonds. Simply put, Mr. Lipsky said, "the domestic political world and the international financial world make it easier to control inflation."

More fundamental, Mr. Lipsky said, is that governments have discarded the idea that they can fine tune the economy by trading off growth and inflation.

Douglas Is Selling Fighters to Malaysia

LANGKAWI, Malaysia — McDonnell Douglas Corp. said it signed a contract to sell eight F/A-18D Hornet fighters to the Malaysian government during the International Maritime and Aerospace show.

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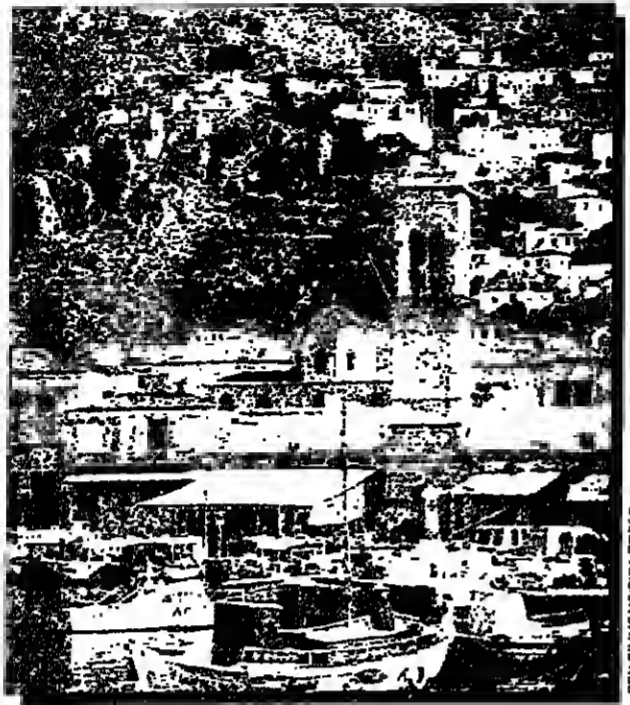
INCERSOLL-RAND COMPANY (CDR) The undersigned announces that as from 22 December 1993 at Kas Associates N.V., Spuistraat 172, Amsterdam, div. epn. no. 84 of the CDR's Incersoll-Rand Company each repr. 5 shares will be payable with Dfls. 135 net. (div. per share 18.115; gross 5.0175 p. sh.) after deduction of 15% USA-tax = \$ 0.131 = Dfls. 0.25 per CDR Div. epn. belonging to non-residents of The Netherlands will be paid after deduction of an additional 15% USA-tax = \$ 0.131 = Dfls. 0.257 with Dfls. 1.08 net.

Large table containing financial data, including AMEX Thursday's Closing, and various market indices and prices.

ADVERTISING SECTION



Andreas Papandreou receives congratulations (above) after his 1993 election victory, an event that will echo through Greek life from the capital to such sun-soaked tourist resorts as the island of Hydra (right).



# greece

## GREECE PINS ITS HOPES ON CHANGE OF DIRECTION

The newly elected government of the Panhellenic Socialist Movement, led by Andreas Papandreou, has promised improved economic conditions and an end to austerity.

The Socialists differ from the defeated New Democracy party on the question of the privatization of state-owned enterprises and promise a return of the Athens transportation and bus system to government control. On foreign affairs, the new government has indicated that it will take a tougher stand toward the former Yugoslav Republic of Macedonia.

At the same time, Mr. Papandreou has stressed the pro-European position of his party. Speaking on his government's program during his first appearance in Parliament, he also made clear his pro-U.S. position. This contrasted with his previous period of office - from 1981 to 1989 - when Mr. Papandreou advocated the removal of American bases from Greece and called for a Greek withdrawal from NATO and from the European Community. There is no doubt about the seriousness of the economic problems Mr. Papandreou

must deal with. The European Commissioner Henning Kristoffersen, speaking about the high deficits of the Greek public sector, says that the Greek economic situation has become "worse than expected" during the last months. According to the estimates of the EC Commission, Greece must prepare a new program of economic reform.

Speaking after the fall of the Greek Socialist government in 1989 and the formation of the conservative coalition government, Jacques Delors, already president of the EC Commission, made similar comments and advised urgent austerity measures. The conservatives acknowledged the seriousness of the situation but delayed action until 1992, when conditions had deteriorated further.

According to present estimates, the deficit of the 1994 budget will amount to 4.6 trillion drachmas (\$18.7 billion), or 24 percent of the gross national product. This, together with the fact that Greece pays 7 trillion drachmas for the ser-

vice of its internal and external debts, will leave little for productive investment.

National Economy Minister George Yennimatas claims, however, that his 1994 budget will allow for the formation of a substantial reserve that will be used together with EC funds under the Delors package for infrastructure projects and the support of Greek industries.

Mr. Papandreou, outlining his economic policy, made it clear that all the major projects launched by the former government, including a new Athens Airport at Spata, the Rio-Antirio suspension bridge connecting southwest Peloponnisos with central Greece, and the diversion of the Achelous river, would continue. "After all, these projects were really planned by our government before 1989," says Mr. Yennimatas.

Greece's economic leaders have been encouraged by the promise of New Democracy's new leader, Mitsiades Evert, that the major opposition party will support the gov-

ernment's efforts to improve the economy and to promote the country's international position. Mr. Evert was elected party leader after former Prime Minister Constantine Mitsotakis resigned following his electoral defeat.

Iason Stratos, president of the Federation of Greek Industries, called on the new government to limit its expenses in order to cut deficits, keep salary and pension increases under the present inflation rate of 11 percent and ease its credit policy toward industrial enterprises, so that they could become more competitive. In a memorandum to the new government, the federation pointed out that industrial production in Greece would decline for the third consecutive year in 1993, "although a significant proportion of companies would show satisfactory results."

The industrialists asked for a political consensus on such issues as the modernization of public administration, a freeze on hiring new civil servants, the broadening of the tax base and the reduction of tax evasion. The government has

Continued on page 1c

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. John Rigos and Pat Hamilton are both free-lance writers based in Athens.

## FINANCE MINISTER EXPLAINS ECONOMIC PRIORITIES

George Yennimatas, minister of the national economy and finance, answers questions on government plans to stabilize the economy and attract foreign investors. How does the government plan to eliminate the deficits of the public sector while maintaining a public investment program?

The main characteristics of the 1994 budget to be submitted for approval by Parliament are the holding down of public expenses, the effort to fill the gaps in the 1993 receipts and the expansion of the tax base through the establishment of new ways of objective definition of taxable incomes. In particular, the operating expenses of the public sector will increase

by a rate equaling half of the rate of inflation, while the income policy of the public sector will not surpass inflation, regardless of the real losses of income during recent years. As a result, we will be able to create a surplus and to limit borrowing to levels lower than those of 1993. Finally, thanks to the inflow of European Commu-

nity funds, the investment program will increase substantially. Expenditure will be higher than 1993 and in comparison to the gross national product. Will the government continue the major public-works program, which includes the Spata Airport, the Athens Metro, the Rio-Antirio Bridge and the Eleusis-Spata highway?

All these major projects will be completed. In most cases, the projects were originally launched by this government before the 1989 elections. In any case, they will continue because they constitute part of the basic infrastructure required for the proper operation of this country's pro-

Continued on page 1c



George Yennimatas, minister of the national economy and finance. "All major projects will be completed."

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ADVERTISING SECTION

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# BUILDING, BRIDGING, TUNNELING THE WAY FORWARD

The Socialist government is setting aside huge sums to develop Greece's infrastructure. The list of projects is impressive. They include a new Athens international airport, which will eventually be able to handle 50 million passengers a year; the con-

structed at an estimated cost of \$60 million. The tunnel will be 1.3 kilometers long and will be part of a 4-kilometer road to be constructed at an estimated cost \$120 million.

It will take six years to construct the Athens subway, the biggest civil-engineering project in the capital. It will be completed in stages.

The contract has been ratified by Parliament, and the first two lines have been allocated to a multi-member joint venture of foreign and Greek companies. These lines, with a length of 20 kilometers, will cost some \$1.4 billion. Work is also under way in Salonika on a subway system whose first stage will cost \$240 million.

The suspension bridge to link Rio to Antirio will have a span of 1.8 kilometers and will help in the development of western Greece. It will put an end to the problem caused by frequent interruption of communications between the Peloponnese and central Greece due to rough seas.

The cost is estimated at \$400 million. The Evinos dam and tunnel is to be built at a cost of \$200 million. A 100-meter high dam and a 30-kilometer tunnel will make an important contribution to securing water adequacy for the sprawling greater Athens area.

In September this year, Greece announced a \$3.2 billion package of projects for immediate tender aimed at improving links with Europe and the Middle East. To be funded under the EC's cohesion fund, the projects include expansion of the Greek state railways, the port of Igoumenitsa in northwestern Greece, improvement of the existing airports in Athens and on the island of Corfu, sewage and irrigation grids, about 200 kilometers of new roads and biological cleansing schemes.

The transport projects aim to link Greece to the European network and isolation for parts of the country, reduce transport costs

for Greek products and make Greece Europe's gateway to the Middle East. EC credits of \$420 million must be absorbed by end March 1994. Other EC-funded works have been put on hold pending cost/benefit analyses or environmental-impact studies. These include the Evinos project to help supply Athens with water, and road and rail projects to link Athens, Salonika and Bulgaria. An east-west road would link the remote eastern region of Thrace and the western port of Igoumenitsa, crucial to Greek exports following the loss of routes through the former Yugoslavia. The port of Piraeus would gain direct access to highways bypassing Athens, and ring roads would be built for two other ports, Patras in the west and Kavala in the northeast.

Addressing a conference sponsored by the American-Hellenic Chamber of Commerce early in December, Industry Minister Costas Simitis said the Socialist government had realized that state control of the economy had gone "beyond reason."

He said that companies in the strategic areas of de-



The spectacular Chalkida suspension bridge connects Evia Island with the mainland.

lense, telecommunications and transport should remain under state control, but that the private sector could be called upon to help develop companies in these strategic areas.

The 1994 state budget includes plans to put 15 percent to 20 percent of the state-owned Greek Telecommunications Organization and the Public Power Corporation on the Athens Stock Exchange. The funds will be used to modernize and expand these public entities.

The Telecommunications Organization is implementing an ambitious five-year program involving a \$4 million investment in network expansion, network automation and satellite links. The mobile telephone system has been left to private companies. Intracom, a leading telecommunications company, has set up a microelectronic center, KEM, which will promote the use of microelectronics and the construction of electronic systems. KEM is the result of Intracom's participation in the European programs Espirit, Jessi, Stride and Eureka, through which it cooperates with top European companies in the same field.

J.R.

# NEW RULES REMOVE CURBS ON BANKS

A banking act passed in August 1992 facilitated the opening of branches by foreign banks in Greece and at the same time improved the standards of banking services.

The act had two main objectives: to liberalize the current banking system in Greece by bringing it into line with the European Community's regulations and to adjust the rules concerning foreign bank operations.

The act allowed easier share capital has increased

access to the Greek market. Every European Community bank properly licensed to open branches in its own country may now open branches in Greece without any further licensing by Greek authorities.

Previously, they required Bank of Greece approval, which was not always forthcoming, as well as a capital deposit of 4 billion drachmas (\$16 million).

Several foreign banks operating in Greece, including Societe Generale, Banque Nationale de Paris, Midland Bank and Barclays, have already taken advantage of the measure and opened branches in the Athens area and other major cities and islands in Greece.

Citibank of the United States (a non-EC bank) remains the largest foreign bank operating in Greece. Citibank's view is that the previous legislation did not serve as a barrier to banks wishing to establish a serious presence in Greece.

The minimum capital previously required of \$16 million is the bare minimum a bank would need to invest to establish a viable operation," says a senior Citibank official. "Actually, the EC banks that have a significant presence in Greece were established well before the change in the legislation."

At the same time, several Greek banks plan to use

their new rights to open branches in other EC countries. The Commercial Bank of Greece, the country's second largest, will open several branches in Britain.

New Greek banks owned by shipping interests are making similar moves. They include the Dorian Bank, established by shipowner John Mavrakakis; the Nios Bank of the Euromerchani Bank of tycoon John Latsis; and Egnatia Bank, set up by a group of Greek businessmen from Salonika.

The new rules are an incentive for foreign banks outside the EC to seek controlling interests in jointly operated banks in Greece in order to gain access to other EC countries.

The Libyan Arab Foreign Bank, for instance, has a majority stake in the Arab Hellenic Bank. Korean Ex-

and Interamerican, one of the largest insurance companies in Greece, to set up Interamerican Mutual Funds.

The Aspis Pronoia Insurance Co. has set up the Aspis Bank, which also has the Aspis Mutual Fund.

Citibank has its own mutual fund, and Midland Bank, which belongs to the Hong Kong and Shanghai Banking Corp., obtained a 22 percent stake in the new European Popular Bank, whose major shareholder, with 55 percent, is the Cyprus Popular Bank.

Euromerchani Bank is cooperating with American Life Insurance Co. (Alico) to set up a mutual fund, Nationale Nederlanden, which has an insurance operation and a mutual fund, is establishing its own branch in Greece.

According to Mr. Piperoglou, the aim is to have customers pay insurance

who was instrumental in passing banking legislation as the Greek minister of national economy, the introduction of rules liberalizing banking operations have a beneficial effect on the Greek banking system. "Most commercial banks have either recently made substantial increases in their share capital or plan to do so in the near future," he says.

The funds are being plowed into computerization and staff training to upgrade service. A new gen-

'Repo mania' takes hold

eration of younger managers, many in their late 30s and early 40s, has been brought home from banks abroad or poached from Greek branches of foreign banks to oversee the changes." Mr. Palaiokrassas says.

Among the new services offered to bank customers is the sale of "repos," or repurchase agreements. These were introduced in 1987 by the Socialist government that is now in power again.

It then decided to finance its requirements directly from the public, issuing for the first time tax-free government treasury bills of three, six and 12 months duration.

For the first couple of years, the repo market was not widely known in Greece, and only institutional investors and corporations took advantage of it. Later, as competition among banks became more intense, "repo mania" developed, and the investment of even small amounts was untraced. The repo market was threatened recently by rumors that the government was to tax income from repos. Officials, including the present minister of national economy, George Yennimatas, have denied the truth of the rumors. If it happens, depositors may turn to new fields of investment. J.R.



Strict monetary control is a government priority for economic health.

provises recently bought a 66 percent majority share in the Traders Credit Bank, which was renamed the Bank of Athens.

In addition to these changes, Greek banks are now taking a new structural form. According to Yannis Piperoglou, chairman of Stedima S.A., which acts as advisor to several banks, the new pattern consists of a combination of three elements: a bank, an insurance company and a mutual fund. For instance, Interbank has joined the Union des Assurances de Paris

premiums and buy mutual funds. Both these sources of funds are deposited in the related bank to provide a stronger base for its operations.

Thanks to the European Community Act, foreign banks operating in Greece are entitled to underwrite initial public offerings and rights issues if they are entitled to do so in their own countries. Several foreign banks, including Barclays, have used this privilege. According to Yannis Palaiokrassas, a Greek commissioner in Brussels

## FREE INFORMATION FROM INTERNATIONAL INVESTOR XXXIX

Herald Tribune

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### ETBA IN THE YEAR 2000

- At the end of 1991, the Bank moved to its new building on Syngrou Ave., Athens.
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  - It has set as its main aim the continuation of its traditional role (which has become well established in the 30 years since its founding in 1960) as the LINCHPIN for the DEVELOPMENT of Greece's INDUSTRY, TOURISM and SHIPPING, but also for ATTRACTING NEW INVESTMENTS.

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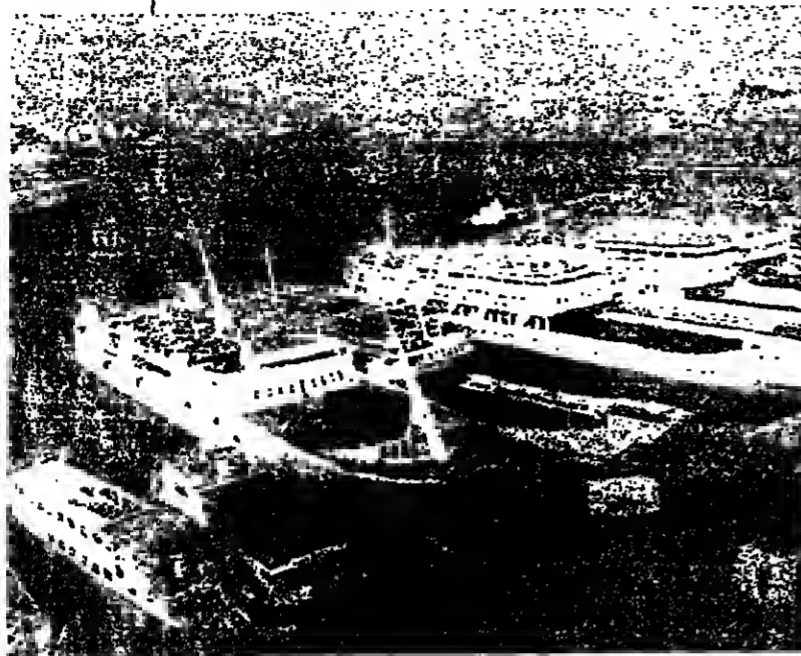
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ADVERTISING SECTION

# greece



The port of Piraeus, ready for faster connections to Italy and the islands.

## QUALITY OF EVERYDAY LIFE IN GREECE ATTRACTS TOURISTS

The recent change in government has caused many members of the tourist industry to feel optimistic. Funds earmarked for tourism will increase considerably, and the Ministry of

National Tourist Organization that they are not working in something like the Ministry of Health," he says, "but in a place connected to the happiest of human moments."

### Returns invested in infrastructure

Tourism, closed down by the ousted conservative government, has been re-established.

In a recent article in the Greek press, the new Tourism Minister, Dionisios Livanos, pointed to three immediate tasks facing him: the allocation of his \$32 million advertising budget, the establishment of a series of casinos throughout the country and the organization of his office and staff.

"We have to remind all the staff within the Greek

Increased awareness of the importance of service in tourism, unquestionably Greece's number-one industry, was expressed by a past president of the Greek National Tourist Organization, Apostolos Doxiadis, whose family has for four generations run the luxury-class Grande Bretagne Hotel. He said earlier this year that in addition to professional services, it was the behavior of all Greeks, no matter what their jobs were, that would help boost the country's tourist business.

"It is quality in everyday life that will convince tourists to come back," he said.

SETE, the country's first tourism "lobby," formed

two years ago and now made up of 230 of the biggest, most influential companies in Greece, has officially named 1994 the Year of Total Quality in Tourism, with seminars and other activities hosted by well-known Greek personalities and stressing the need for all tourism facilities to be up to the highest standards.

The SETE treasurer, Constantine Coulouvatos of the Chat Tour/Amalia Hotel chain, emphasizes that the lobby is concentrating on the long term. It is financing studies, such as the recent one on the exact contribution tourism made to the national economy last year (almost twice the official figure), and pressing for increased educational opportunities, such as offering scholarships to the Greek branch of the famed Swiss hotel school, Centre International de Glion (CIG), recently opened on



The quality of ancient life is also an attraction: This amphora is on display at the Archaeological Museum in Salonika.

the island of Corfu. SETE has also set up a two-month tourism course within an existing MBA program in Athens, with plans to extend it into a full Master's degree in tourism. "We want to educate a new generation of young Greeks who will take future positions in the tourist industry," says Mr. Coulouvatos. Even in the short term, there is reason to be optimistic. Uncertainty and violence in neighboring countries have caused many tourists to choose trouble-free Greece and the Greek islands.

This year's U.S. State Department analysis of foreign travel costs still points to Greece as a better value than its neighbors, with estimated per diem expenses of approximately \$159, compared with \$196 in Spain, \$204 in Turkey,

\$218 in Italy and \$242 in Portugal. The industry is just beginning to see returns on the money it invested in infrastructure over the last few years, with six new marinas due to open in the coming months. According to Michael Ghiolman, honorary president of the Greek Yacht Broker's Association, Greek boat builders are launching several new models this year, competitive with other European countries, in addition to at least 10 new luxury yachts (in the \$6000 to \$8000 a day range).

With European Community help, Greek entry ports from Italy are being enlarged, and faster ferryboats are being built that will cut 12 hours off the trip between Ancona, Italy and Patras, Greece.

Pat Hamilton

## GREECE PINS ITS HOPES ON CHANGE OF DIRECTION

Continued from page 1a

agreed to these points, and Mr. Yennimatras recently called on Greek youth to choose careers other than the public sector.

In a short study containing proposals for the stabilization of the Greek economy, Dimitrios Chalikias, governor of the Bank of Greece during the previous eight years of Socialist power, says that Greece has been going through alternate periods of austerity and reheating. The austerity was meant to cut deficits, and the reheating to boost production. This caused high rates of inflation.

What is really needed, Mr. Chalikias believes, is to reform and modernize the state machinery, and to create an infrastructure that will allow the economy "to apply the rules of advanced markets and production processes."

Greece is also plagued by the problem of the former Yugoslav Republic of Macedonia, which, according to the Greeks, is using the name of Macedonia for irredentist purposes.

The previous government supported negotiations at the United Nations aimed at persuading the new republic to adopt a name that better defines its national and geographical character, such as "Slavomacedonia," "Northern Macedonia" or "Nova Macedonia."

The new Greek government has said it will not negotiate with Skopje until it drops "Macedonia" as its official name. The former Yugoslav republic has become a UN member under its provisional name, and Greece's European partners are showing signs of getting ready to establish diplomatic relations with it, posing problems for Greece's foreign minister, Karolos Papoulias.

Despite this confrontation about names, Greeks are willing to promote their economic relations with Skopje - until recently, Greece was the main source of foreign exchange for the new republic.

Even now, there are reports in the press about new Greek enterprises expanding their operations there. Hellenic Exports, a Greek-owned export company, has taken a 15.5 percent equity stake in a new private bank in the former Yugoslav republic.

Greek businesses have found in other parts of the Balkans a profitable launching pad for their operations. Oil, shipping, construction, trading, computer and hotel companies have entered into partnerships in Bulgaria and Romania, and some have ventured even farther north into Ukraine.

According to the minister of press and information, George Venizelos, such a development

is natural. "Greece, because of its standard of development and its constitutional traditions, as well as because of its participation in the European Community, NATO and the West European Alliance, is the basic factor of security and stability in the wider area of the Balkans," says Mr. Venizelos.

"Greek initiatives will certainly facilitate the promotion of the common foreign policy of the 12. The recent visits of the Greek foreign minister to the Balkan capitals demonstrated the protagonistic role that Greece can play in the Balkans. This Balkan role strengthens Greece's European image," Mr. Venizelos continues.

There is some cause for anxiety, Greek leaders know that the civil war in Bosnia and other parts of former Yugoslavia could expand to the south and reach Greece's borders. For this reason, they have used all their persuasive powers to bring Serbian leaders to the negotiation table, and they even convened in Athens a peace conference among the conflicting parties.

Mr. Papandreou's government will pursue an active policy toward the pacification of the Balkans, Mr. Venizelos says. He also implies that pacification will be the first step toward the entry of the Balkan states into the European Community.

John Rigos

## MINISTER EXPLAINS ECONOMIC PRIORITIES

Continued from page 1a

duction system. Several of these projects will contribute substantially to cutting down the costs of our communication and transport services, where Greece is at a disadvantage because of its geographical position in relation to the markets of Western Europe.

How do you plan to carry out the program to privatize public-sector enterprises?

The companies that became part of the public sector because of their failure to cope with the pressures of competition will return to the private sector in accordance with the rules of the legislated procedures, by which many problematic companies have been privatized so far. In the case of some large state-owned enterprises, like the Telecommunications Organization, a percentage of their capital will be made available to private investors, but without the involvement of a "strategic investor," as was proposed by the previous government. This will be done through the stock exchange on terms that will make the investment appealing and will guarantee returns to the private investor.

Finally, in some other cases, as with gambling casinos, the government will proceed with their privatization. Naturally, in cases where there are doubts as to the positions held, the government will proceed with all decisions allowed by the legal framework in order to safeguard the country's interests and to achieve the best results.

What measures does the government intend to take in order to attract foreign investors?

First, the creation of a general macroeconomic climate that offers stable rules for running the economy.

Furthermore, we believe that our development policy measures will form conditions favorable for the attraction of foreign investors. Many have shown serious interest since 1985 with participation or purchase of Greek industries and an extensive presence in the area of credit and insurance activities, commerce and so on.

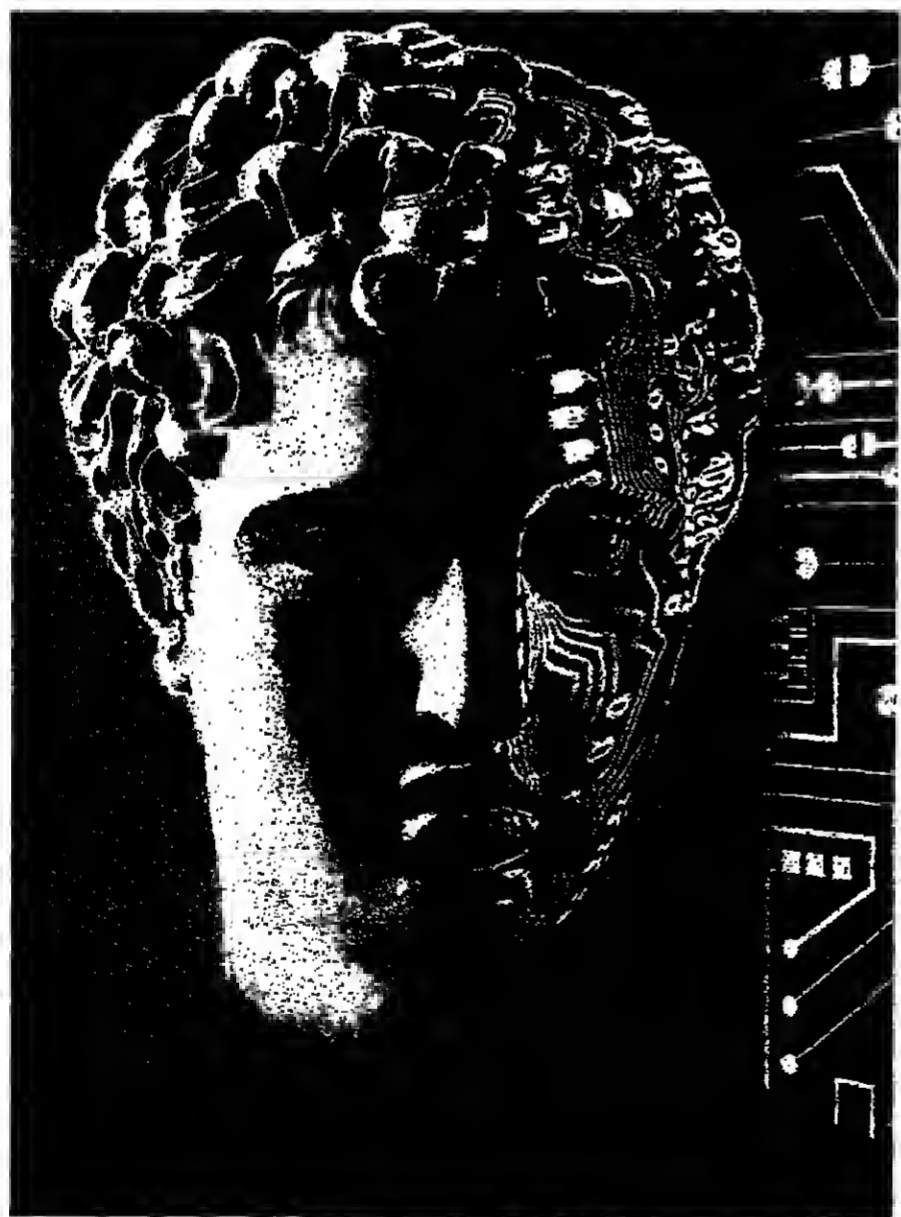
The infrastructure investments planned with the funds of the Second Delors Package will promote the profitability of investments. Since, however, foreign investments are influenced by a number of factors, having to do with taxes, among other things, we will examine with considerable attention the experiences of foreign enterprises already established in the country, so that we can improve the points where serious problems occur and where policy can act positively.

Regardless of its economic problems, Greece constitutes today the only stable political and economic factor in the Balkans. Do you think it will be able to aid in the reconstruction of the economies of other Balkan countries, to whose pacification Greece has already contributed substantially?

The area of the Balkans constitutes a very important area for Greece for economic, political, military and historical reasons. The emphasis in Greek policy is on helping with the pacification of the area and the restoration of normality to the Balkans. Our country's contribution is recognized widely by its neighbors, while its ability to contribute economically is expressed daily through the expansion and the successes of Greek enterprises in the neighboring Balkan countries.

Interview by John Rigos

Photo: The portrait of Athena Parthenos, the goddess of wisdom, sculpted by Phidias, circa 450 B.C., Museum of Ancient Olympia



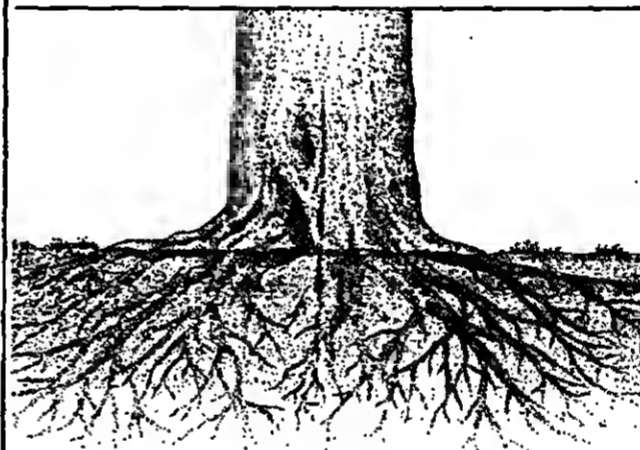
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# JAPAN

## GOVERNMENT WEIGHS STIMULUS PLAN

Weak consumer demand, a robust yen and cutbacks in corporate investment have taken the stuffing out of the Japanese economy. What is the government doing about it?

Foremost, Prime Minister Morihiro Hosokawa is hoping to forestall a second economic downturn by pushing yet another fiscal stimulus plan. This time,

the package is worth \$58 billion and focuses on 114 public-works projects. But with the government now focused on passing political reform bills and a supplementary budget, review of the economic stimulus plan has been shelved until later this month.

Furthermore, some analysts question the package's validity since earlier funding aimed at infra-

structure development did little to jack up consumer confidence.

Much to its credit, the Hosokawa government appears to be backing a more controversial economic antidote: tax cuts. The planned 5 trillion yen to 6 trillion yen (\$46 billion to \$55 billion) reduction would likely boost consumer spending, while at the same time easing U.S. pressure over a widening trade gap.

Even though the tax cut would probably be offset by a gradual increase in sales tax, Japan's Finance Ministry is opposed to the idea. Over the years, the ministry has proudly pointed to its fiscal surpluses and appears dead set on quashing any revenue-cutting scheme.

The recession is also adding impetus to Mr. Hosokawa's support for deregulation. Seen as a stimulus for creating new businesses and passing the benefits of a stronger yen to consumers, the first dereg-

ulation package was introduced by the prime minister in September. While these initial changes lacked any real teeth, they resulted in a small utility-rate cut for consumers and eliminated minor bureaucratic red tape in customs procedures. With literally thousands of regulations on the books worthy of appraisal, some government watchers believe deregulation could be the backbone of economic recovery.

Lastly, banks burdened with bad loans received a shot in the arm when the Bank of Japan cut interest rates to 1.75 percent, a record low. But the governor of the Bank of Japan, Yasushi Mieno, says he has done all that he can for banks and wants more fiscal support.

That could come in the form of deregulation of dismally low deposit rates or by allowing banks to boost involvement in corporate bond issuance.

Despite Japan's difficulties, there are some positive



In August, newly elected Prime Minister Morihiro Hosokawa (second from left) toasted to a brighter future.

economic indicators appearing on the horizon. For one, low inflation and discounting at retail outlets

may encourage consumers to open their pocketbooks. On the down side, however, Japan's Economic Plan-

ning Agency has admitted that its 3.3 percent growth forecast in the year to March was overly opti-

mistic. If growth in Japan's GDP continues to remain flat, the recession may last into 1995.

## COMPANIES COURT CONSUMERS THROUGH PARTNERSHIPS

With business confidence at an 18-year low, Japanese companies are facing the real threat of a second economic downturn compounded by growing foreign-exchange values and minimal consumer spending.

Despite these obstacles, most corporations are not just waiting for an upturn in the business cycle; they are not only altering investment tactics, but also the very way they do business.

Japan's car industry, for one, is in the middle of a major sea change as sales continue to fall. In order to improve their balance sheets, companies are trying to stabilize earnings in a low-growth domestic market while boosting overseas production to offset low export profitability. What is more, market watchers expect that increased overseas production will serve as a hedge against future currency fluctuations. With this in mind, Nissan has cut its exports from Japan by 26 percent while boosting overseas production by 22 percent. In addition, Honda hopes to build its Civic model in Pakistan next year, while Suzuki is eyeing a production boost in India.

As "cost reduction" becomes the operative phrase in the industry, automakers are also re-examining production methods. As a result, future savings will likely come in the form of parts standardization, fewer components, extension of model change cycles and the elimination of several model varieties.

Similar efficiency is also creating strange bedfellows at the sales end of the industry. Honda, for example, will begin selling Isuzu's recreational vehicles through its extensive U.S. network, while Isuzu will sell Honda's passenger cars in Japan. Nissan and Mazda have entered into similar pacts, and Toyota seems set to boost its cooperative links with Hino and Daihatsu.

A similar shake-up is going on within the once-almighty electronics industry. Nationwide overtime and bonus cuts have reduced domestic sales, and the strong yen has forced manufacturers to boost overseas prices at the cost of market share. Further, no innovative new product — a possible savior in an industry-wide slump — has yet to emerge. In response, several industry analysts claim that electronics companies will have to specialize and seek out new fields of expansion. The director of the Electronics Industries Association of Japan, Ryuji Iwasaki, is urging electronics manufacturers to focus their energies on communication technologies like fiber optics.

For their part, domestic computer makers find that they can no longer enforce consumer loyalty through "closed system" technologies and are now fighting against low-priced foreign imports for local market share. In response, NEC has slashed computer prices by as much as 46 percent and is switching to international PC standards. Companies that once guarded proprietary information with a vengeance are discovering the benefits of sharing research costs with overseas companies. Sony, for example, has tied up with U.S. computer makers in order to develop more consumer-based computer products.

On the semiconductor front, Japanese companies have long realized that they backed the wrong horse with their emphasis on memory chips, a product now undercut by

South Korean manufacturers. Consequently, they are looking west for alliances with former U.S. rivals producing more lucrative logic chips. Sharp Corp. has linked with Intel to manufacture chips under the California-based company's name in hopes of cashing in on this expanding market.

With slow growth expected in Europe and North America, Japanese manufacturers are also looking for a white knight in Asia's booming markets. China in particular is now viewed not only as a source of cheap production, but also as a major market. Moreover, companies will continue to grow leaner and meaner in the remaining decade, even though most experts believe that some hollowing out of Japanese industry is inevitable.

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. • It was written by Robert Carroll, a free-lance writer based in Tokyo.

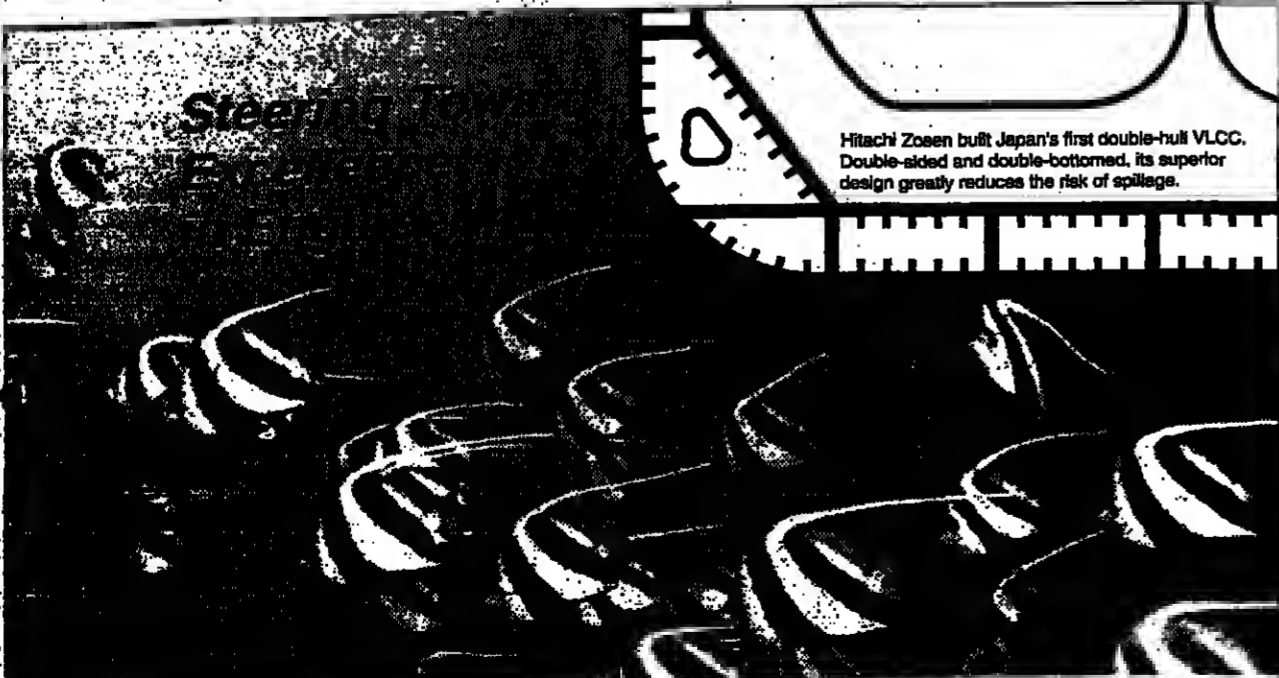
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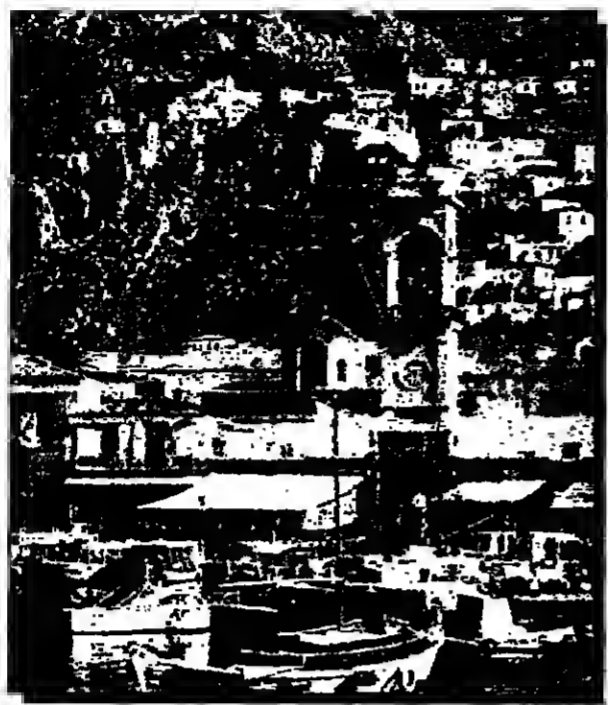


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# greece



Andreas Papandreu receives congratulations (above) after his 1993 election victory, an event that will echo through Greek life from the capital to such sun-soaked tourist resorts as the island of Hydra (right).



## GREECE PINS ITS HOPES ON CHANGE OF DIRECTION

The newly elected government of the Panhellenic Socialist Movement, led by Andreas Papandreu, has promised improved economic conditions and an end to austerity.

The Socialists differ from the defeated New Democracy party on the question of the privatization of state-owned enterprises and promise a return of the Athens transportation and bus system to government control. On foreign affairs, the new government has indicated that it will take a tougher stand toward the former Yugoslav Republic of Macedonia.

At the same time, Mr. Papandreu has stressed the pro-European position of his party. Speaking on his government's program during his first appearance in Parliament, he also made clear his U.S. position. This contrasted with his previous period of office — from 1981 to 1989 — when Mr. Papandreu advocated the removal of American bases from Greece and called for a Greek withdrawal from NATO and from the European Community. There is no doubt about the seriousness of the economic problems Mr. Papandreu

must deal with. The European Commission Henning Kristoffersen, speaking about the high deficits of the Greek public sector, says that the Greek economic situation has become "worse than expected" during the last months. According to the estimates of the EC Commission, Greece must prepare a new program of economic reform.

Speaking after the fall of the Greek Socialist government in 1989 and the formation of the conservative coalition government, Jacques Delors, already president of the EC Commission, made similar comments and advised urgent austerity measures. The conservatives acknowledged the seriousness of the situation but delayed action until 1992, when conditions had deteriorated further.

According to present estimates, the deficit of the 1994 budget will amount to 4.6 trillion drachmas (\$18.7 billion), or 24 percent of the gross national product. This, together with the fact that Greece pays 7 trillion drachmas for the ser-

vice of its internal and external debts, will leave little for productive investment.

National Economy Minister George Yennimatas claims, however, that his 1994 budget will allow for the formation of a substantial reserve that will be used together with EC funds under the Delors package for infrastructure projects and the support of Greek industries.

### Government stresses pro-Europe stand

Mr. Papandreu, outlining his economic policy, made it clear that all the major projects launched by the former government, including a new Athens Airport at Spata, the Rio-Antirio suspension bridge connecting southwest Peloponnisos with central Greece, and the diversion of the Achelous river, would continue. "After all, these projects were really planned by our government before 1989," says Mr. Yennimatas.

Greece's economic leaders have been encouraged by the promise of New Democracy's new leader, Miltiades Evert, that the major opposition party will support the gov-

ernment's efforts to improve the economy and to promote the country's international position. Mr. Evert was elected party leader after former Prime Minister Constantine Mitsotakis resigned following his electoral defeat.

Iason Stratos, president of the Federation of Greek Industries, called on the new government to limit its expenses in order to cut deficits, keep salary and pension increases under the present inflation rate of 11 percent and ease its credit policy toward industrial enterprises, so that they could become more competitive. In a memorandum to the new government, the federation pointed out that industrial production in Greece would decline for the third consecutive year in 1993. "Although a significant proportion of companies would show satisfactory results,"

The industrialists asked for a political consensus on such issues, as the modernization of public administration, a freeze on hiring new civil servants, the broadening of the tax base and the reduction of tax evasion. The government has

Continued on page 1c

## FINANCE MINISTER EXPLAINS ECONOMIC PRIORITIES

George Yennimatas, minister of the national economy and finance, answers questions on government plans to stabilize the economy and attract foreign investors.

How does the government plan to eliminate the deficits of the public sector while maintaining a public investment program?

The main characteristics

of the 1994 budget to be submitted for approval by Parliament are the holding down of public expenses, the effort to fill the gaps in the 1993 receipts and the expansion of the tax base through the establishment of new ways of objective definition of taxable incomes. In particular, the operating expenses of the public sector will increase

by a rate equaling half of

the rate of inflation, while

the income policy of the

public sector will not sur-

pass inflation, regardless of

the real losses of income

during recent years.

As a result, we will be

able to create a surplus and

to limit borrowing to levels

lower than those of 1993.

Finally, thanks to the in-

flow of European Commu-

nity funds, the investment

program will increase sub-

stantially. Expenditure will

be higher than 1993 and in

comparison to the gross na-

tional product.

Will the government con-

tinue the major public-

works program, which in-

cludes the Spata Airport,

the Athens Metro, the Rio-

Antirio Bridge and the

Eleusis-Spata highway?

All these major projects

will be completed. In most

cases, the projects were

originally launched by this

government before the

1989 elections. In any case,

they will continue because

they constitute part of the

basic infrastructure re-

quired for the proper oper-

ation of this country's pro-

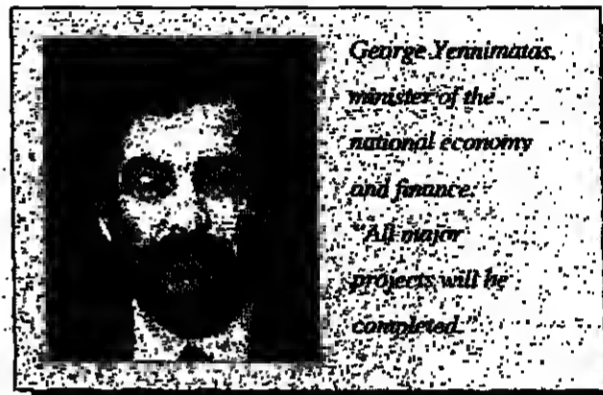
gram. The government has

been encouraged by the promise

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George Yennimatas, minister of the national economy and finance.

All major projects will be completed.

Continued on page 1c

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SPORTS

Intrum Justitia Sails Into Fremantle After 'Very Hairy' Record Trip

By Keith Wheatley
Special to the Herald Tribune
FREMANTLE, Australia — Intrum Justitia, the pre-European yacht skippered by Englishman Lawrence Smith, sailed into harbor Thursday under a bright yellow spinnaker that matched the sunshine and took line honors for the second leg of the Whitbread 'Round the World Race'.

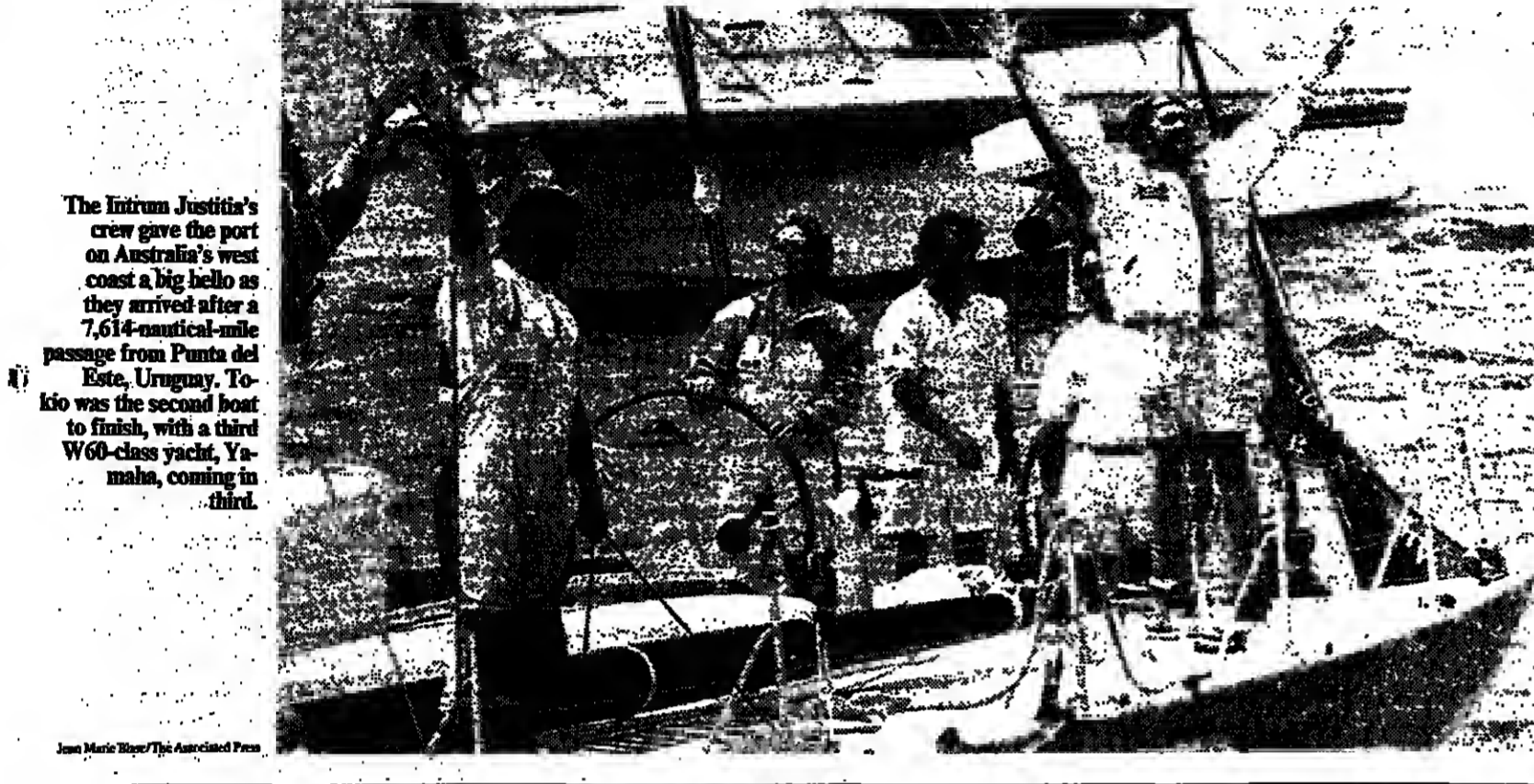
smaller lumps broken off icebergs — "going past close to the hull at 20 knots — and they were just the ones we saw during daylight."
Tokio, the Japanese-sponsored W60 skippered by New Zealander Chris Dickson, remained the race's overall leader as she finished exactly two hours behind Intrum Justitia. At one point, it looked as if Tokio just might overtake her rival on the final day, after having trailed by as many as 80 miles on the voyage that began Nov. 13.

maxi-class boats to finish, 44 minutes behind Yamaha and with an elapsed time of 25 days, 21 hours, 11 minutes.
New Zealand Endeavour, Merit's only serious rival in the five-boat maxi fleet, came in 1 hour, 46 minutes later. It was a more than creditable time for a yacht that had lost the upper six meters of her mizzen mast halfway through the leg.

"We beat them, we can beat them again and once they get used to it they might even give in," Smith said, adding somewhat ruefully: "But we deserved a bigger lead."
"We found a big high pressure system just off the Australian coast and parked in it," he said. "The boatspeed was down to two knots at one point."
The turning point for Intrum came at Prince Edward Island, the halfway point of the leg, where the Dutch navigator, Marcel van Triest, suggested that they take a tactical gamble and sail south, away from the fleet.

The victory was a personal triumph for Smith. When the Whitbread started Sept. 5 in Southampton, England, he was at the wheel of the Spanish maxi-ketch Fortuna. When she lost her mizzen mast 48 hours after setting sail and withdrew, it looked as if Britain's top racing yachtsman would be following the Whitbread on television.

He joined Intrum in Uruguay, a last-minute replacement for Roger Nilson of Sweden, who had injured his knee on the first leg. A boat that struggled to finish seventh in Punta del Este was turned into a potential race-winner — although, before that can happen, Intrum must get past Tokio.
"Me sailed a very cautious leg," said her skipper, Dickson. "The tactics were very conservative. Every time the wind got over 40 knots, we'd take our foot off the floor and think about keeping the boat in one piece."
"It was noticeable that on those occasions, Intrum and some of the others that were running flat out would gain between 10 and 12 miles on us in six hours. Overall, I don't think we suffered from the policy."



The Intrum Justitia's crew gave the port the biggest boost as they arrived after a 7,614-nautical-mile passage from Punta del Este, Uruguay. Tokio was the second boat to finish, with a third W60-class yacht, Yamaha, coming in third.

Samaranch Says Changes In 2000 Won't Be Major

The Associated Press
LAUSANNE, Switzerland — The International Olympic Committee's president, Juan Antonio Samaranch, said Thursday there will be no drastic changes to the program for the 2000 Games, dousing speculation that several sports would be dropped.
"We don't like revolution, we want evolution," Samaranch said at the end of a four-day meeting of the IOC's executive board. "Any changes for the year 2000 will not be major changes."

movement for a long time can be assured that nothing will be done that is not really necessary," he said.
On another issue, Samaranch hopes to visit the war-torn Bosnian capital of Sarajevo in February during the Winter Olympics in Lillehammer, Norway. Sarajevo was the host of the 1984 Winter Games.
Samaranch said he has twice sought to arrange a trip to Sarajevo, but permission was denied both times. He said he would like to make a one- or two-day visit sometime during the Feb. 12-27 Games.

He acknowledged, however, that the chances of achieving a truce are slim.
"We know it is nearly impossible, but it is the duty of the Olympic movement to try," he said. "If the fighters stop for a few weeks, maybe they could stop for a longer time, maybe forever."
Meanwhile, Samaranch said he is still waiting for a list of candidates for a new IOC member from the United States.
The United States has two seats on the IOC. One has been vacant since 1991 when Robert Hejnicky resigned in a conflict-of-interest scandal. U.S. officials have repeatedly failed to come up with a list suitable to Samaranch.

Stich and Edberg Take Bankbooks Into Semifinals

The Associated Press
MUNICH — Brett Steven took the biggest paycheck of his career and went home Thursday. Michael Stich took more money and moved into the semifinals of the Grand Slam Cup.
Stich, the defending champion, beat Steven, 5-7, 6-4, 6-4, before Stefan Edberg ousted Wayne Ferreira, 6-7 (5-7), 6-1, 6-0, in the night's other match. Edberg took Stich's seat in one of Saturday's semifinals.
Steven, 24 and ranked 43d in the

world, gained a place in the 16-man field when Richard Krajicek dropped out because of an injury. But his earnings improved dramatically here.
By reaching the quarterfinals, the New Zealander, who has never won a tournament, picked up \$262,500 and nearly doubled his 1993 earnings. His biggest previous payday had been \$35,000.

The \$6 million Grand Slam Cup, the richest tournament in the world, invites the 16 players with the best record over the four Grand Slam tournaments of the year — the Australian, French and U.S. Opens and Wimbledon.
Steven, a quarterfinalist at the Australian Open, was relaxing in Bermuda last week when he was told to come to Munich.

Stich won the ATP Tour World Championship in Frankfurt in November and led Germany to a Davis Cup final victory over Australia last weekend in Düsseldorf, having already earned nearly \$2 million within the last month, not counting this event.
Steven broke Stich to win the first set and fought back from a 1-5 deficit in the second, saving two set points before Stich served out the set. But once Stich broke to lead 1-0 in the third, he cruised home.

SCOREBOARD

Table with columns for Basketball (NBA Standings, Eastern Conference, Western Conference, Pacific Division), Football (1993 All-America Team, First Team, Second Team), Soccer (English Premier League, NHL Standings), Hockey (NHL Standings), Cricket (One-Day International, Test Match, Second Test), Transactions (Baseball, Basketball), and Major College Scores (Basketball, Football).

SIDELINES

Sympathetic FIA Goes Easy on Senna
PARIS (Reuters) — Formula One star Ayrton Senna got Thursday with a suspended two-race ban after admitting to an FIA hearing that he had struck Irish driver Eddie Irvine during an argument after the Japanese Grand Prix on Oct. 24.
FIA's president, Max Mosley, said Senna would have his license withdrawn for the first two Formula One races of the 1994 season but that the ban was suspended for six months.
"Senna recognized and admitted that he had hit him," Mosley said. "He was honest and fair, responsible and reasonable and we all felt great sympathy for him."

Johnston, Grace Get New Contracts

SEATTLE (AP) — Randy Johnson, the major league strikeout leader for two straight seasons, agreed Thursday to a four-year contract with the Seattle Mariners worth \$30 million.
Mark Grace, a consistent .300 hitter and smooth-fielding first baseman with the Chicago Cubs, has agreed to a \$4.4 million, one-year contract, a raise of \$1.3 million.
VEYSONNAZ, Switzerland — The women's World Cup downhill race here has been set back a day, to Saturday, after bad weather Thursday forced organizers to call off training for the second day running.
Fog halted training Wednesday, overnight snow made the course too soft for practice on Thursday. International Ski Federation regulations require two official training runs to be held before a World Cup downhill race.
Organizers said they hoped to stage two practice runs Friday, with the downhill now being held Saturday, followed by a giant slalom Sunday and slalom Monday.

Benn, Nunn on Same London Card

LONDON (AP) — Super-middleweight champions Nigel Benn and Michael Nunn will defend their titles on the same bill at Earl's Court in London on Feb. 26.
Promoters announced Thursday that Benn, who holds the WBC title, will fight fellow Briton Wharston. Nunn's opponent for the WBA crown was not announced, but a spokesman for co-promoter Frank Warren said the likely challenger would be fellow American Frank Lewis.
For the Record
Barry Sanders, the NFL's leading rusher, is more seriously hurt than first thought and probably will miss several more games for the Detroit Lions, says a doctor said.
Dany Brien, 67, who played for the Northern Ireland team that reached the 1958 World Cup quarterfinals and later managed the national team, and who captained Tottenham Hotspur to the English League and Cup double in 1961, has died.

Lillehammer Ready, Now

The Associated Press
LAUSANNE — With just over two months before the Winter Games open Feb. 12-27 in Lillehammer, Norway, organizers assured the IOC that preparations were complete.
"We could start the Games tomorrow," said Gerhard Heiberg, president of the Lillehammer Olympic Organizing Committee. "We have 75 centimeters (30 inches) of snow already. Everything has been tested and everything is working smoothly. We are ready to go. We are very eager to get started."

For years, Lillehammer officials worried they might not get enough snow for the Games. Now, they talk about just the opposite: too much.
"We are investing a lot of money in equipment to get rid of the snow," Heiberg said.
The Games already are a success in ticket sales. So far, 81 percent of the 1.5 million tickets have been sold and the figure is expected to reach 90 percent by the start of the Games, Heiberg said. The previous record for ticket sales was 83 percent, at the 1984 Los Angeles Games.
Heiberg said security was being tightened in view of concerns that Norway's role as mediator for the Israeli-PLO peace accord could inspire terrorism. No specific threats have been received, he said.
Two thousand athletes from between 70 and 80 countries are expected in Lillehammer, along with 2,000 officials.

Changing Weather Plays Havoc With Ski Races

Organizers said skiers would be allowed to practice on the course later and that two official training runs would be held Friday.
But poor conditions at the top of the course might force the downhill to be staged over two legs Saturday on a shortened piste, they said.

INTERNATIONAL CLASSIFIED

Advertisement section for International Classified, featuring various travel and service agencies such as BELGRAVIA ORCHIDS, BELLE EPOCH, BARONNESS DE SILVA, and MERCEDES.

OBSERVER

Out-Rubeing Goldberg

By Russell Baker
WASHINGTON — Trying to understand the various health care programs kicking around Washington reminds me of what I've always said about the income-tax law: They could make it even tougher for the American mind to grasp if they'd write the directions in Finnish.

At first glance, the main goal of people who draw up tax laws and these health care programs seems to be to make the customer feel inferior. Actually, this is not so. I have met people who write tax laws and design health care programs, and nobody surpasses them when it comes to loving the rest of the human race. They are the salt of the earth, not to mention the soul of kindness.

They think you are giving them a little regular-guy kidding when you say their tax law is incomprehensible or tell them their plan for a whole new world of health insurance is such a preposterous Rube Goldberg construction that the great Rube himself wouldn't have had the nerve to put it in the comic strips.

The trouble is that they are lawyers, or lobbyists, or social engineers, or policy designers who spend their lives hunkered down in vacuum called "institutes" or "think tanks." People in these trades are obsessed with complexity.

Take President Clinton's health care plan: It is based on setting up alliances all over the country. What happens, so far as I can make out, is that everybody gets together with folks in the neighborhood and forms an alliance.

Then you all sell yourselves some health insurance, which you have scared Prudential or John Hancock into providing at an absurdly cheap rate, because the spectacle of the whole neighborhood in alliance gives the insurance industry such a case of the fantods that they don't even dare put any fine print in the contract.

Or maybe it's the alliance that sells you some health insurance, though I can't see that it makes much difference, since you and the alliance are one, if I have this correctly.

All right, you've formed the alliance, you've scared the bejebees out of the insurance industry,

you've either sold yourself the health insurance or you've made the alliance sell it to you at a great price, and you are sitting pretty. I imagine, until the 37 million people who don't have any health insurance at all say they want to join the alliance too.

Under this particular plan, you can't keep them out, but never fear. A bonanza may await. Since a lot of the 37 million are uninsured because they don't have any money to spare, somebody — maybe the Red Cross or the United Way, but preferably the U. S. government — will have to give the alliance, which includes you, a bundle to cover them, won't it?

As I write this I am overcome by the suspicion that it won't, that in fact I have misread something somewhere, and ought to start all over again.

But I don't want to start all over again. Why should whatever may be left of my mind be spent in trying to master a plan I know, in my heart of hearts and mind of minds, cannot be persuasively explained by the people who concocted it?

There seem to have been hundreds of them. I read about them meeting in Jackson Hole under the baton of a man named Ira Magaziner and the patronage of Hillary Clinton. I cheered them too, thinking that at last national health insurance was about to arrive.

It was an idea whose time had come, or so I thought before these astounding plans began to surface. Now I cheer no more. Instead, I fear, a nonidea whose time has come.

What's to fear? It's this: Politicians on all sides, feeling heavy public pressure for health care reform, are very likely to enact anything at all that they can call "a health care program."

This might be easier than going back to the voters to say they thought it better to hold off until they could agree on a sensible plan that would be understandable not just to lawyers, lobbyists, social engineers and policy planners, but also to some 250 million potential patients.

New York Times Service

Oliver Stone: A Man Controversy Loves

By Bernard Weinraub

HOLLYWOOD — Two years after his film "JFK" stirred more headlines and editorials than any other movie in a long while, the director Oliver Stone has a new movie that is — big surprise — both provocative and about a subject that obsesses him. In this case, it's Vietnam.

"I've been classified as everything: a Vietnam freak, a '60s nostalgia buff, a conspiracy nut," he said in a recent interview. "I don't seek out controversy. I don't. It comes to me."

Whether Stone tries to avoid controversy is certainly debatable. "Heaven and Earth," his latest film, is hardly likely to inflame passions the way "JFK" did. But the new movie, which is to open in New York and other large cities on Christmas, is almost certain to provoke the sort of contentious dialogue that is now expected of any Stone film.

The film, which is set in Vietnam and in the United States and stars Tommy Lee Jones and a newcomer, Hiep Thi Le, is an adaptation of two memoirs by a Vietnamese woman, Le Ly Hayslip. "When Heaven and Earth Changed Places" (1989) and "Child of War, Woman of Peace" (1993).

The books recount Hayslip's harrowing teenage years in a rice farming village in central Vietnam during the war, and her bleak life in the United States afterward.

"When I read them, I was just moved by the raw, almost naive emotions," said Stone, who was seated in a room at an editing facility in West Los Angeles.

"I loved all the roles she played," Stone said of Hayslip, who is now a businesswoman in the San Diego area.

"She was a beggar, a prostitute, an American housewife, a traitor, a spy, a rape victim, a mistress to a rich man. She had three children with three different men. All the men were military or police people. All have similar traits in a strange way: very strong on the surface but weak spots."

The same traits could probably be applied, at least in directorial terms, to Stone.

Stone won Academy Awards for his direction of two other Vietnam War films — "Platoon" (1986) and "Born on the Fourth of July" (1989), a powerful saga about the return home of a crippled Marine — and for his screenplay adaptation of "Midnight Express" (1978). Yet his gifts as a filmmaker are often obscured, perhaps even diminished, by his polemics.

After the release of "JFK," which blurred fact and fiction, claiming that people at the highest levels of the government were involved in the assassination of President John F. Kennedy, Stone spent months defending the film, not against angry movie critics so much as political

columnists and editorial writers, who said he had been reckless with the facts.

"How has 'JFK' changed me?" he said quietly. "It's probably changed me for the rest of my life."

"It was a place I've never been before in my life. 'Born on the Fourth of July' was controversial; it was attacked quite a bit. But nothing like 'JFK.' It took me to another level. It made me more of a weather vane, more of a political personality as opposed to a filmmaker. I did not fully understand the implications of that."

Stone said he had no regrets whatsoever about "JFK." But he's also aware the film turned him, at least in the eyes of many filmmakers and critics, into more of an ideologue than a film craftsman. No other top director is burdened with such heavy political baggage.

He's ambivalent about it. "When you become a political personality, you turn into a symbol, and when you become a symbol, then a lot of the humanity is stripped from you and you're no longer a rounded person but a cartoon, an ideologue," he said.

In "Heaven and Earth," a Warner Brothers movie, Stone apportions the blame. Hayslip is raped by a brutal gang of Vietnamese. But the South Vietnamese and the Americans are often seen as equally violent. And Stone depicts the Americans Hayslip encounters in Southern California as grotesque and narrow-minded.

Partly because of Vietnamese officials' antipathy toward Hayslip's books, most of the film, which cost \$23 million, was shot in Thailand, although some scenes were made surreptitiously in Vietnam by a documentary team working for Stone.

The part of Hayslip is played by Hiep Thi Le, a 23-year-old physiology major at the University of California at Davis, who left Vietnam at the age of 9 in a group of boat people. During an extensive talent search in the United States and Asia, she was discovered at an audition in San Jose, California, to which she had originally come simply to accompany a friend.

Stone recalled: "She walked in, and she just had the light. I thought, like, she was spectacular."

At age 46, Stone is enduring some personal travails. He is in the process of a



Oliver Stone: "I don't seek out controversy. I don't. It comes to me."

divorce (he and his wife have two children). He is spending more time traveling, mostly in Asia. And he is studying Buddhism.

He is also working at a breakneck pace. He is now in the midst of editing another film, "Natural Born Killers," a satire that also stars Jones, one of his favorite actors. That movie is scheduled for release in June.

Stone is also intent on making a film version of the musical "Evita." And he has produced or co-produced such successful films as "Reversal of Fortune" and "The Joy Luck Club."

The director, who grew up in Manhattan, has dedicated "Heaven and Earth" to his mother, Jacqueline Stone, who lives in New York and Paris. His father, Louis, who worked on Wall Street, died in 1986.

"Wall Street" (1987) was dedicated to him. His parents, Stone said, had a strong impact on him.

"My mom is French," he said. "She was a war bride. My father was a lieutenant colonel in Paris who picked her up on the

street, actually. She married a man she hardly knew."

"My father had a wonderful imagination," he said. "He was a failed playwright. He wrote plays, he wrote poems. He took me to see '8 1/2' when I was a kid. He was also a very strong character."

Stone's parents divorced when he was 16. "The family just scattered to the wind," said the director, who has no siblings. To his father's dismay, Stone dropped out of Yale, joined the army and went to Vietnam. After remaining, he attended New York University's film school in 1971; then he moved to Los Angeles, where he wrote such films as "Midnight Express" and "Scarface" before turning to directing.

Part of the reason that "Heaven and Earth" is dedicated to his mother, Stone said, is that he had never before made a film where the primary character was a woman.

"My mom always wanted me to make a 'Gone with the Wind' type movie," he said. "This is as close as I can get right now."

PEOPLE

Japan's Crown Princess Feted on 30th Birthday

Crown Princess Masako, who gave up a promising diplomatic career to wed Crown Prince Naruhito, 33, last to Japan's throne. Last June, celebrated her 30th birthday, receiving family members and palace employees Thursday. Later, she was honored at a luncheon and tea ceremony. Emperor Akihito and Empress Michiko, who has been ill since collapsing Oct. 20, were not scheduled to join the festivities. They are staying at their summer villa while movers unpack their belongings at a new residence on the Imperial Palace grounds in Tokyo.

A jury has ordered Zsa Zsa Gabor and her husband, Frederick von Anhalt, to pay Elke Sommer an additional \$1.3 million in punitive damages for telling German publications that the actress is a Hollywood has-been. Earlier this week, the couple was ordered to pay Sommer \$2 million in general damages. At a news conference, Gabor said: "I would rather see her [Sommer] starve than give her a dollar. I'm an American. This is America. We have freedom of speech. I can't believe the jury."

Sonny Bono, 58, says he isn't making it official yet but intends to announce his candidacy for lieutenant governor of California next month. Bono, the former mayor of Palm Springs, has been endorsed by Bruce Herschorn, who beat Bono for a Republican U.S. Senate nomination last year. Herschorn reportedly has signed on as Bono's campaign chairman.

Former U.S. Interior Secretary Stewart Udall has accused Shirley MacLaine of trying to be "queen of the mountain" by building a home close to his near Santa Fe, New Mexico. Udall later apologized, but said he was concerned that MacLaine's home and other developments planned for around Anasazi Mountain could damage the environment. MacLaine said: "I never intended to be queen of anything. This mountain belongs to God. I bought the mountain to protect it."

INTERNATIONAL CLASSIFIED
Appears on Pages 5, 7 & 10.

WEATHER

Table with weather forecasts for Europe, North America, Middle East, and Oceania. Columns include location, today's high/low, and tomorrow's high/low.

WEEKEND SKI REPORT

Table with weekend ski reports for various locations including Austria, Switzerland, and the U.S. Columns include resort name, depth of snow, and conditions.

A large advertisement for the International Herald Tribune. It features the headline 'A WEEK IN THE LIFE OF THE TRIB' and lists various content offerings such as 'Monday MONDAY SPORTS', 'Tuesday STYLE', 'Wednesday STAGE ENTERTAINMENT', 'Thursday HEALTH/SCIENCE', 'Friday LEISURE', 'Saturday-Sunday ART/ THE MONEY REPORT', 'POLITICS AND ECONOMICS', 'BUSINESS AND FINANCE', 'OPINION AND COMMENTARY', 'THE ARTS AND SCIENCE', 'FOOD AND FASHION', 'FILM AND THEATER', 'BOOKS AND TRAVEL', 'BRIDGE AND CHESS', 'THE NEW YORK TIMES CROSSWORD', 'A LIVELY ARRAY OF COMICS', and 'PULITZER PRIZE WINNING FEATURE COLUMNISTS'. It concludes with 'Don't miss out. Make sure you get your copy of the IHT every day.' and the 'Herald Tribune' logo.

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